

**SCHOOL DISTRICT OF THE  
BOROUGH OF HALEDON  
COUNTY OF PASSAIC, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

**School District  
of the**

# **Borough of Haledon**

**BOROUGH OF Haledon BOARD OF EDUCATION  
HALEDON, NEW JERSEY**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2012**

# **Comprehensive Annual Financial Report**

of the

**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NEW JERSEY**

**For the Fiscal Year Ended June 30, 2012**

**Prepared by**

**Borough of Haledon Board of Education  
Finance Department**

## OUTLINE OF CAFR

### INTRODUCTORY SECTION

Letter of Transmittal .....	1
Organizational Chart .....	5
Roster of Officials .....	6
Consultants and Advisors .....	7

### FINANCIAL SECTION

Independent Auditor's Report .....	8
Required Supplementary Information - Part I Management's Discussion and Analysis .....	10

#### BASIC FINANCIAL STATEMENTS

##### A. District-wide Financial Statements:

A-1 Statement of Net Assets .....	20
A-2 Statement of Activities .....	21

##### B. Fund Financial Statements:

###### Governmental Funds:

B-1 Balance Sheet .....	22
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances .....	23
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	24

###### Proprietary Funds:

B-4 Statement of Net Assets .....	25
B-5 Statement of Revenues, Expenses and Changes in Fund Net Assets .....	26
B-6 Statement of Cash Flows .....	27

###### Fiduciary Funds:

B-7 Statement of Fiduciary Net Assets .....	28
B-8 Statement of Changes in Fiduciary Net Assets .....	29

Notes to the Financial Statements .....	30
---	----

##### Required Supplementary Information - Part II

## OUTLINE OF CAFR

### C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund .....	54
C-1a	Not Applicable	
C-1b	Educations Jobs Fund - Budget and Actual - General Fund .....	60
C-2	Budgetary Comparison Schedule - Special Revenue Fund .....	61

#### Notes to the Required Supplementary Information

C-3	Budgetary Comparison Schedule .....	62
-----	-------------------------------------	----

#### Other Supplementary Information

### D. School Level Schedules:

Not Applicable

### E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis .....	63
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis .....	64
E-1b	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis .....	65
E-2	Schedule of Preschool Education Aid - Budgetary Basis .....	66

### F. Capital Projects Fund:

F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis .....	67
F-1a	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis (Haledon Public School Windows) .....	68
F-1b	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis (Haledon Public School Basement Sprinklers) .....	69
F-1c	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis (Haledon Public School Other Capital Project) .....	70
F-1d	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis (Haledon Public School ADA Upgrades to Toilet Rooms) .....	71
F-2	Summary Statement of Project Expenditures .....	72

### G. Proprietary Funds:

#### Enterprise Fund:

G-1	Combining Statement of Net Assets .....	73
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	74
G-3	Combining Statement of Cash Flows .....	75

## OUTLINE OF CAFR

Internal Service Fund:

Not Applicable

### H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Assets .....	76
H-2	Combining Statement of Changes in Fiduciary Net Assets .....	77
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements .....	78
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements .....	79

### I. Long-Term Debt:

I-1	Statement of Serial Bonds .....	80
I-2	Not Applicable	
I-3	Budgetary Comparison Schedule - Debt Service Fund .....	81

### J. Statistical Section (Unaudited)

#### Financial Trends

J-1	Net Assets by Component .....	82
J-2	Changes in Net Assets .....	83
J-3	Fund Balances - Governmental Funds .....	85
J-4	Changes in Fund Balances - Governmental Funds .....	86
J-5	General Fund Other Local Revenue by Source .....	87

#### Revenue Capacity

J-6	Assessed and Estimated Actual Value of Taxable Property .....	88
J-7	Direct and Overlapping Property Tax Rates .....	89
J-8	Principal Property Taxpayers .....	90
J-9	School Tax Levies and Collections .....	91

#### Debt Capacity

J-10	Ratios of Outstanding Debt by Type .....	92
J-11	Ratios of Net General Bonded Debt Outstanding .....	93
J-12	Direct and Overlapping Governmental Activities Debt .....	94
J-13	Legal Debt Margin Information .....	95

#### Demographic and Economic Information

J-14	Demographic and Economic Statistics .....	96
J-15	Principal Employers .....	97

## OUTLINE OF CAFR

### J. Statistical Section (Unaudited), Continued

#### Operating Information

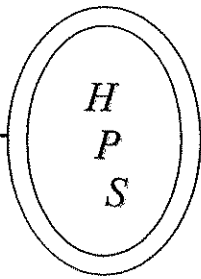
J-16	Full-time Equivalent District Employees by Function/Program .....	98
J-17	Operating Statistics .....	99
J-18	School Building Information .....	100
J-19	Schedule of Required Maintenance for School Facilities .....	101
J-20	Insurance Schedule .....	102

### K. SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	103
K-2	Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular Letter 04-04 .....	105
K-3	Schedule of Expenditures of Federal Awards - Schedule A .....	107
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B .....	108
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance .....	109
K-6	Schedule of Findings and Questioned Costs .....	111
K-7	Summary Schedule of Prior Audit Findings .....	113

## **INTRODUCTORY SECTION**





## *HALEDON PUBLIC SCHOOL*

70 Church Street  
Haledon, NJ 07508  
Tel: (973) 389-2840  
Facsimile: (973) 956-0781

November 2012

Honorable President and  
Members of the Board of Education  
Borough of Haledon School District  
Haledon, NJ 07508

Dear Board Members:

The comprehensive annual financial report of the Borough of Haledon School District (District) for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the management discussion and analysis, the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendment of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Haledon Public School District is an independent reporting entity within the criteria adopted by the SASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. Borough of Haledon Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-School, Pre-School Handicap and K through 8. These include regular classes for PreK-8 and special education classes for Preschool Handicapped and PreK-8. The District completed the 2011-2012 fiscal year with an average daily enrollment of 1038 students, which is 12 students less than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

	<i>Average Daily Enrollment</i>	
<i>Fiscal Year</i>	<i>Student Enrollment</i>	<i>Percent Change</i>
2011-2012	1038	(1.14%)
2010-2011	1050	.2%
2009-2010	1052	.5%
2008 - 09	1046	(3.88%)
2007 – 08	1087	4.52%
2006 – 07	1040	3.17%
2005 – 06	1008	.7%
2004 – 05	1001	3.5%
2003 – 04	967	(2.22%)
2002 – 03	989	3.00%
2001 – 02	958.9	1.41%

**2) ECONOMIC CONDITION AND OUTLOOK:** The Borough of Haledon is experiencing limited economic development and growth. The single largest corporation in Haledon closed and moved out of state in the 1994-95 school year causing a significant impact on the tax base. This reflects the overall business climate of North Jersey which has endured the loss of many manufacturing companies. It is not expected that there will be any strong economic growth or expansion in the region in the near future.

### **3) MAJOR INITIATIVES**

#### **Major Initiatives Implemented in the 2012-2013 School Year:**

**Common Core State Standards – Grades K-2:** The state of New Jersey adopted new national standards in English Language Arts and Mathematics in the summer of 2010, and the first grade levels to be implemented are Kindergarten, First, and Second in Mathematics. Accordingly, a math consultant, Barbara VanDenBerg, has been retained for the school year to work with our K-2 teachers on implementing these standards. She is also continuing the work begun at the Middle School level on the Connect-Ed Math program.

**Balanced Literacy – Grades 3-5:** Haledon expands its well-established Balanced Literacy program currently used in grades K-2 into grades 3-5. Literacy consultant, Stacey Loscalzo, has been retained for the school year to work with classroom teachers to assist them in implementing guided reading, differentiated instruction and writer's workshop. Classroom libraries of leveled books and DRA kits have been ordered using NCLB grant funding to support this initiative.

**Writer's Workshop – Grade 6-8:** In an effort to consolidate the writing program and implement best practices, Haledon has retained a writing consultant, Dr. Gravity Goldberg, to work with Language Arts teachers throughout the year. Dr. Goldberg demonstrates model lessons, conducts workshops on the various aspects of the workshop model, and coaches teachers as they begin to implement their learning in the classroom.

**William Paterson University Partnership:** For the first time this year, Haledon School will officially become part of the William Paterson University Professor in Residence program. Although we have had close ties to the education program at the University for years, we have never aggressively taken advantage of the resources it has to offer. We have contracted to become a Professional Development School, and an education professor has been assigned to work with our staff throughout the year. The focus will be primarily on establishing Professional Learning Communities, targeting specific teaching areas via data analysis, and developing a needs assessment and timeline for professional development action.

**4) INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.

**6) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

7) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.


8) **OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A., was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendment of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9) **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Borough of Haledon School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

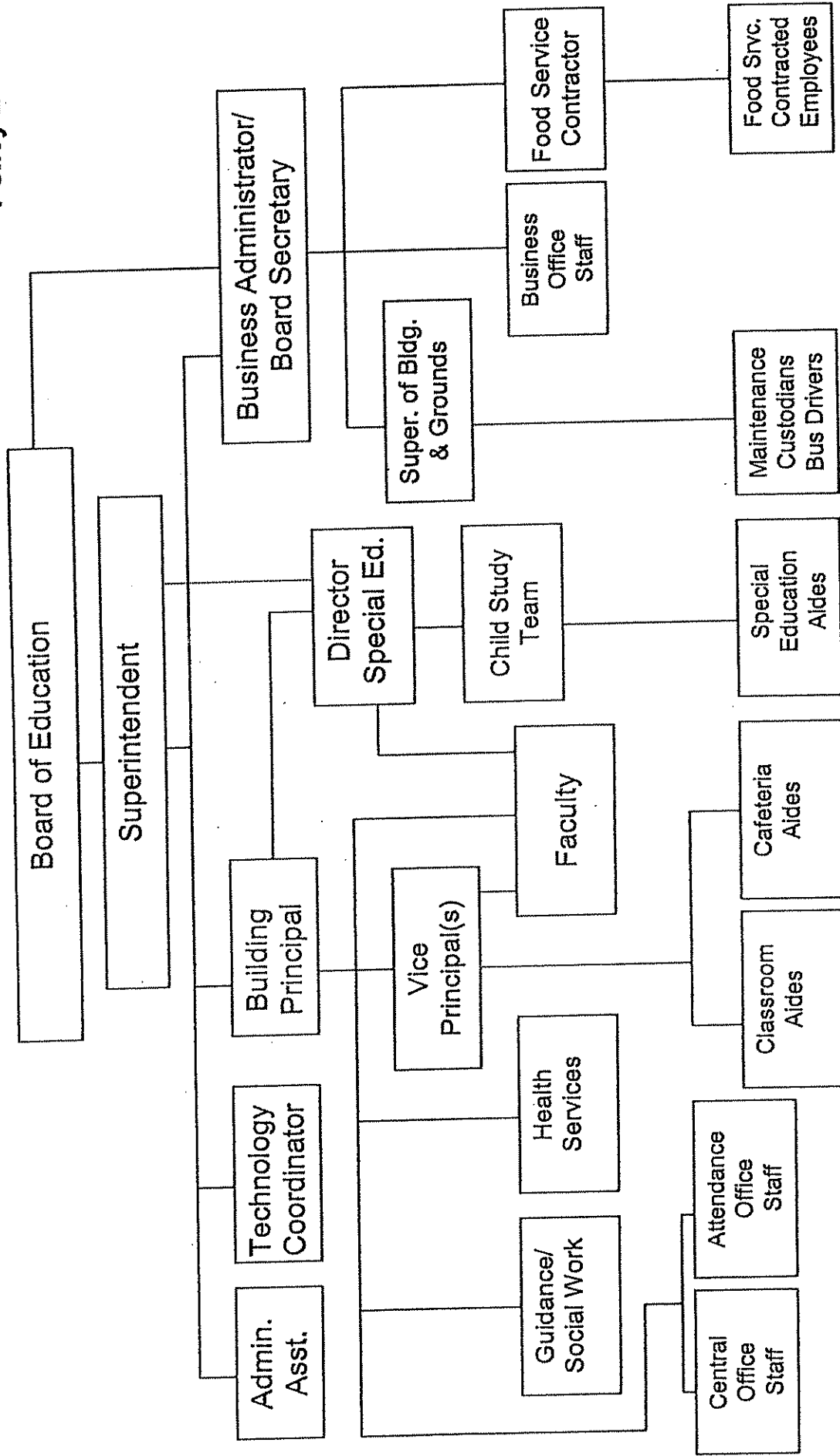
Respectfully submitted,



Richard Ney, Ed.D.  
Superintendent



John A. Serapiglia, Jr.  
Business Administrator/Board Secretary



# Haledon Public School Organizational Chart

**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2012**

<b>BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Joyce Smith, President	2013
Cynthia Fusco, Vice President	2015
Ellen P. Fischer	2014
Joseph Nestico	2015
Domenico Fusco	2014
Hilton Gonzalez	2015
John Kaslander	2014
Natalie Martin	2013
Crystal Rolon	2013

**OTHER OFFICIALS**

Richard Ney, Ed.D., Superintendent

John A. Serapiglia, Jr., Board Secretary/Business Administrator

**BOROUGH OF HALEDON BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

DiCara | Rubino Architects  
30 Galesi Drive, West Wing  
Wayne, NJ 07470

**AUDIT FIRM**

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.  
401 Wanaque Avenue  
Pompton Lakes, NJ 07442

**ATTORNEY**

Fogarty & Hara  
Counselors at Law  
16-00 Route 208 South  
Fair Lawn, NJ 07410

**OFFICIAL DEPOSITORY**

TD Bank North  
Belmont Avenue  
Haledon, NJ 07508

## **FINANCIAL SECTION**



# **Ferraioli, Wielkottz, Cerullo & Cuva, P.A.**

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and  
Members of the Board of Education  
Borough of Haledon School District  
County of Passaic, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Haledon School District, in the County of Passaic, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Haledon School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the Borough of Haledon Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2012 on our consideration of the Borough of Haledon Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 19 and 54 through 62 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Haledon Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



James Cerullo, C.P.A.  
Licensed Public School Accountant  
No. 881



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

November 15, 2012

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED**

The discussion and analysis of the Borough of Haledon Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service and Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

- In total, net assets increased \$1,210,083.55. Net assets of governmental activities increased \$1,229,125.26 while net assets of business-type activity decreased by \$19,039.50.
- General revenues accounted for \$13,449,991.42 in revenue or 87.36 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,946,188.82 or 12.64 percent of total revenues of \$15,396,180.24.
- The School District had \$13,544,149.60 in expenses related to governmental activities; only \$1,323,285.65 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$13,449,989.21 were adequate to provide for these programs.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

**District-Wide Financial Statements**

The *statement of net assets and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Borough of Haledon Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

In the *Statement of Net Assets and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activities – These services are provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service program and after care program are reported as business activities.

The two statements report the District's net assets and changes in them. The change in net assets can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Haledon Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

**Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities).

**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

The Borough of Haledon Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue, capital projects and debt service funds, which are considered to be major funds.

The Borough of Haledon Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service to demonstrate compliance with their budgets.

**Proprietary Funds**

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Borough of Haledon Board of Education uses proprietary funds to account for its food service program, summer camp program and after care program.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Assets provides the perspective of the District as a whole. Net assets may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net assets were \$10,765,717.40 at June 30, 2012 and \$9,555,633.85 at June 30, 2011. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2012 compared to 2011 (Table 1) and change in net assets (Table 2) of the School District.

**Table 1**

**Net Assets  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Assets</b>						
Current and Other Assets	4,204,950.83	4,666,750.92	378,952.11	416,906.18	4,583,902.94	5,083,657.10
Capital Assets	<u>6,883,106.40</u>	<u>6,545,337.39</u>	<u>190,804.91</u>	<u>44,945.49</u>	<u>7,073,911.31</u>	<u>6,590,282.88</u>
Total Assets	<u>11,088,057.23</u>	<u>11,212,088.31</u>	<u>569,757.02</u>	<u>461,851.67</u>	<u>11,657,814.25</u>	<u>11,673,939.98</u>
<b>Liabilities</b>						
Current Liabilities	445,140.03	1,663,436.29	155,186.33	28,239.27	600,326.36	1,691,675.56
Noncurrent Liabilities	<u>291,770.49</u>	<u>426,630.57</u>			<u>291,770.49</u>	<u>426,630.57</u>
Total Liabilities	<u>736,910.52</u>	<u>2,090,066.86</u>	<u>155,186.33</u>	<u>28,239.27</u>	<u>892,096.85</u>	<u>2,118,306.13</u>
<b>Net Assets</b>						
Invested in Capital Assets- -						
Net of Debt	6,723,106.40	6,225,337.39	190,804.91	44,945.49	6,913,911.31	6,270,282.88
Restricted	4,080,418.51	3,203,589.89			4,080,418.51	3,203,589.89
Unrestricted	<u>(452,378.20)</u>	<u>(306,905.83)</u>	<u>223,765.78</u>	<u>388,666.91</u>	<u>(228,612.42)</u>	<u>81,761.08</u>
Total Net Assets	<u>10,351,146.71</u>	<u>9,122,021.45</u>	<u>414,570.69</u>	<u>433,612.40</u>	<u>10,765,717.40</u>	<u>9,555,633.85</u>

**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net assets for fiscal year 2012 compared to 2011.

**Table 2  
Changes in Net Assets  
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and						
Sales			237,978.10	236,841.14	237,978.10	236,841.14
Operating Grants and						
Contributions	1,323,285.65	1,887,084.49	384,925.07	338,847.77	1,708,210.72	2,225,932.26
General Revenues:						
Taxes:						
Property taxes, levied						
For general purposes	5,564,138.00	5,455,038.00			5,564,138.00	5,455,038.00
For Debt Service	107,128.00	112,544.00			107,128.00	112,544.00
Federal and State Aid not						
Restricted	7,588,807.45	7,087,795.22			7,588,807.45	7,087,795.22
State Facilities Grant	158,017.74	144,270.48			158,017.74	144,270.48
Other Local Government						
Units -Restricted	10,862.56	55,380.14	2.21		10,864.77	55,380.14
Investment Earnings	1,346.34	1,395.88			1,346.34	1,395.88
Miscellaneous Income	<u>19,689.12</u>	<u>10,128.97</u>	<u>          </u>	<u>          </u>	<u>19,689.12</u>	<u>10,128.97</u>
Total Revenues and Transfers	<u>14,773,274.86</u>	<u>14,753,637.18</u>	<u>622,905.38</u>	<u>575,688.91</u>	<u>15,396,180.24</u>	<u>15,329,326.09</u>



**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	5,673,458.35	5,940,308.18			5,673,458.35	5,940,308.18
Special	1,273,183.86	1,113,362.66			1,273,183.86	1,113,362.66
Other Special						
Instruction	581,421.69	271,583.60			581,421.69	271,583.60
Other Instruction	89,427.33	110,499.16			89,427.33	110,499.16
Support Services:						
Tuition	439,836.24	461,209.23			439,836.24	461,209.23
Student & Instruction						
Related Services	1,675,547.85	1,932,072.37			1,675,547.85	1,932,072.37
School Administrative						
Services	624,735.19	691,939.63			624,735.19	691,939.63
General Administrative						
Services	310,097.66	353,050.50			310,097.66	353,050.50
Central Services and						
Admin.Info.Tech.	381,643.36	461,119.07			381,643.36	461,119.07
Plant Operations and						
Maintenance	953,102.38	904,173.38			953,102.38	904,173.38
Pupil Transportation	267,738.72	214,447.70			267,738.72	214,447.70
Unallocated Benefits	1,077,779.67	872,291.88			1,077,779.67	872,291.88
Interest on Long Term Debt	14,250.00	23,250.00			14,250.00	23,250.00
Capital Outlay	11,887.00	2,811.00			11,887.00	2,811.00
Unallocated depreciation	170,040.30	183,648.55			170,040.30	183,648.55
Food Service			469,133.65	381,414.25	469,133.65	381,414.25
After Care Program			<u>172,813.44</u>	<u>178,131.25</u>	<u>172,813.44</u>	<u>178,131.25</u>
Total Expenses and Transfers	<u>13,544,149.60</u>	<u>13,535,766.91</u>	<u>641,947.09</u>	<u>559,545.50</u>	<u>14,186,096.69</u>	<u>14,095,312.41</u>
Increase or (Decrease) in						
Net Assets	<u>1,229,125.26</u>	<u>1,217,870.27</u>	<u>(19,041.71)</u>	<u>16,143.41</u>	<u>1,210,083.55</u>	<u>1,234,013.68</u>

**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

**Governmental and Business- Activities**

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$14,186,096.69. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$5,671,266.00 because some of the cost was paid by those who benefitted from the programs \$237,978.10, by other governments and organizations who subsidized certain programs with grants and contributions \$1,708,210.72, and by miscellaneous sources \$13,449,991.42.

Revenues for the District's business-type activities (food service program, summer camp program and after care program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by \$1,537.24.
- ✓ Charges for services provided totaled \$97,729.22. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$369,867.19.

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2012, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and/or to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$669,705.15 for increase in federal and state grant awards.

**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS,  
(continued)**

**General Fund**

The general fund actual revenue was \$13,236,647.47. That amount is \$1,151,625.47 above the final amended budget of \$12,085,022.00. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,052,639.75 for TPAF social security reimbursements and on-behalf pension payments and a \$50,788.98 deficit in miscellaneous anticipated revenues and \$181,962.26 excess in other federal and state aids.

The actual expenditures of the general fund were \$12,356,324.81 including transfers and capital leases which is \$132,781.69 below the final amended budget of \$12,489,106.50. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$1,052,639.75 and \$1,185,421.44 of unexpended budgeted funds.

**Special Revenue Fund**

The special revenue fund actual revenue was \$1,227,425.10. That amount is above the original budget estimate of \$1,103,765.00 and below the final amended budget of \$1,773,470.15. The \$669,705.15 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$546,045.05 variance between the final amended budget and the June 30, 2012 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special revenue fund were \$1,227,425.10, which is above the original budget of \$1,103,765.00 and below the final amended budget of \$1,773,470.15. The \$669,705.15 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$546,045.05 variance between the final amended budget and the June 30, 2012 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2012 the School District had \$11,547,214.59 invested in sites, buildings and equipment. Of this amount, \$4,473,303.28 in depreciation has been taken over the years. We currently have a net book value of \$7,673,911.31. Total additions for the year were \$765,546.62, the majority of which was for improvements to the District's facilities and various equipment. Table 3 shows fiscal year 2012 balances compared to 2011.

**Table 3  
Capital Assets at June 30,  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	1,122,000.00	1,122,000.00			1,122,000.00	1,122,000.00
Construction in Progress	1,495,820.25	1,198,947.11			1,495,820.25	1,198,947.11
Land Improvements	108,571.79	89,046.80			108,571.79	89,046.80
Buildings and Improvements	3,780,331.48	3,684,162.14			3,780,331.48	3,684,162.14
Furniture, Equipment and Vehicles	<u>376,382.88</u>	<u>451,181.34</u>	<u>190,804.91</u>	<u>44,945.49</u>	<u>567,187.79</u>	<u>496,126.83</u>
	<u>6,883,106.40</u>	<u>6,545,337.39</u>	<u>190,804.91</u>	<u>44,945.49</u>	<u>7,073,911.31</u>	<u>6,590,282.88</u>

**Debt Administration**

At June 30, 2012, the district had \$291,770.49 of long-term debt. Of this amount, \$131,770.49 is for compensated absences and \$160,000.00 of serial bonds for school construction.

**Table 4  
Outstanding Serial Bonds at June 30,**

	<u>2012</u>	<u>2011</u>
1993 General Obligation Bonds	<u>160,000.00</u>	<u>320,000.00</u>
Total	<u>160,000.00</u>	<u>320,000.00</u>

**BOROUGH OF HALEDON BOARD OF EDUCATION  
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The Supreme Court decision upholding the Regional argument against the withdrawal included language directing the Commissioner to review the funding formula for the three towns, Haledon, North Haledon and Prospect Park. The final phase of the new funding formula was put into effect for the 2010-2011 budget year. This again affected the allocation of taxes amongst the three towns. The Borough of Haledon's allocation for P.C. Manchester Regional High School has leveled off to a more moderate increase.

The Haledon Public School District continues its commitment to the maintenance of its buildings. During the school year, the District made several improvements to the facilities.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Borough of Haledon Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

John A. Serapiglia, Jr.,  
School Business Administrator  
Borough of Haledon Board of Education  
70 Church Street  
Haledon, New Jersey 07508

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2012**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	(160,777.47)	349,134.86	188,357.39
Investments			-
Receivables, net	1,423,418.08	24,848.06	1,448,266.14
Inventory		4,969.19	4,969.19
Restricted Assets:			
Cash and cash equivalents	2,942,310.22		2,942,310.22
Capital Assets :			
Land and Construction in Progress	2,617,820.25		2,617,820.25
Other Capital Assets, net	4,265,286.15	190,804.91	4,456,091.06
Total Assets	<u>11,088,057.23</u>	<u>569,757.02</u>	<u>11,657,814.25</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	353,045.24	32,894.58	385,939.82
Interfunds Payable	367.25	122,291.75	122,659.00
Deferred Revenue	91,727.54		91,727.54
Noncurrent Liabilities:			
Due within one year	160,000.00		160,000.00
Due beyond one year	131,770.49		131,770.49
Total Liabilities	<u>736,910.52</u>	<u>155,186.33</u>	<u>892,096.85</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, net of Related Debt	6,723,106.40	190,804.91	6,913,911.31
Restricted for:			
Debt Service	0.11		0.11
Capital Projects	2,685,684.49		2,685,684.49
Other Purposes	1,394,733.91		1,394,733.91
Unrestricted (Deficit)	(452,378.20)	223,765.78	(228,612.42)
Total Net Assets	<u>10,351,146.71</u>	<u>414,570.69</u>	<u>10,765,717.40</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.



**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2012**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	4,758,347.74	915,110.62		1,038,991.99	(4,634,466.37)		(4,634,466.37)
Special Education	990,941.60	282,242.26			(1,273,183.86)		(1,273,183.86)
Other Special Instruction	451,750.82	129,670.87			(581,421.69)		(581,421.69)
Other Instruction	72,832.76	16,594.57			(89,427.33)		(89,427.33)
Support services:							
Tuition	439,836.24	-			(439,836.24)		(439,836.24)
Student & Instruction Related Services	1,366,140.27	309,407.58		186,421.47	(1,489,126.38)		(1,489,126.38)
School Administrative Services	430,717.82	194,017.37			(624,735.19)		(624,735.19)
General Administrative Services	287,826.24	22,271.42			(310,097.66)		(310,097.66)
Central Services & Admin. Info. Technology	368,250.14	13,393.22			(381,643.36)		(381,643.36)
Plant Operations and Maintenance	872,417.78	80,684.60			(953,102.38)		(953,102.38)
Pupil Transportation	251,473.91	16,264.81	-		(267,738.72)		(267,738.72)
Unallocated Benefits	1,077,779.67	-			(1,077,779.67)		(1,077,779.67)
Capital Outlay - Non-depreciable	11,887.00	-		27,000.19	15,113.19		15,113.19
Interest on Long-term Debt	14,250.00	-		70,872.00	56,622.00		56,622.00
Unallocated Depreciation	170,040.30	-			(170,040.30)		(170,040.30)
Total Governmental Activities	11,564,492.29	1,979,657.31	-	1,323,285.65	(12,220,863.95)	-	(12,220,863.95)
Business-type Activities:							
Food Service	469,133.65		97,729.22	369,867.19		(1,537.24)	(1,537.24)
After Care Program	172,813.44		140,248.88	15,057.88		(17,506.68)	(17,506.68)
Total Business-type Activities	641,947.09		237,978.10	384,925.07		(19,043.92)	(19,043.92)
Total Primary Government	12,206,439.38		237,978.10	1,708,210.72	(12,220,863.95)		(12,239,907.87)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					5,564,138.00		5,564,138.00
Taxes Levied for Debt Service					107,128.00		107,128.00
Federal and State Aid not Restricted					7,588,807.45		7,588,807.45
Other Local Government Units - Restricted					10,862.56		10,862.56
Investment Earnings					1,346.34		1,346.34
Miscellaneous Income					19,689.12	2.21	19,689.12
Cancellation of Prior Years' Receivable/Payable					(109,310.00)		(109,310.00)
State Aid - Capital Outlay Facilities Grant					267,327.74		267,327.74
Total General Revenues, Special Items, Extraordinary Items and Transfers					13,449,989.21	2.21	13,449,991.42
Change in Net Assets					1,229,125.26	(19,041.71)	1,210,083.55
Net Assets—Beginning(restated)					9,122,021.45	433,612.40	9,555,633.85
Net Assets—Ending					10,351,146.71	414,570.69	10,765,717.40

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

## BOROUGH OF HALEDON SCHOOL DISTRICT

Balance Sheet  
Governmental Funds  
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents		49,142.30	331,093.53	0.11	380,235.94
Cash with Fiscal Agents					
Tax Levy Receivable	927,356.30				927,356.30
Interfund Receivables	127,366.13				127,366.13
Receivables from Other Governments	108,980.76	106,781.67	152,933.22		368,695.65
Restricted Cash and Cash Equivalents	2,942,310.22				2,942,310.22
Total Assets	<u>4,106,013.41</u>	<u>155,923.97</u>	<u>484,026.75</u>	<u>0.11</u>	<u>4,745,964.24</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Cash Deficit	541,013.41				541,013.41
Accounts Payable	224,727.64	64,196.43	60,371.17		349,295.24
Interfund Payables	367.25				367.25
Deferred Revenue		91,727.54			91,727.54
Total Liabilities	<u>766,108.30</u>	<u>155,923.97</u>	<u>60,371.17</u>		<u>982,403.44</u>
Fund Balances:					
Restricted for:					
Excess Surplus-Current Year	281,689.46				281,689.46
Excess Surplus Designated for					
Subsequent Year's Expenditures	404,758.97				404,758.97
Capital Reserve	2,262,028.91				2,262,028.91
Emergency Reserve	275,126.78				275,126.78
Maintenance Reserve	405,154.53				405,154.53
Capital Projects Fund			423,655.58		423,655.58
Committed to:					
Other Purposes	28,004.17				28,004.17
Assigned to:					
Designated by Board of Education for					
Subsequent Year's Expenditures	0.03				0.03
Debt Service Fund				0.11	0.11
Unassigned:					
General Fund	(316,857.74)				(316,857.74)
Total Fund Balances	<u>3,339,905.11</u>		<u>423,655.58</u>	<u>0.11</u>	<u>3,763,560.80</u>
Total Liabilities and Fund Balances	<u>4,106,013.41</u>	<u>155,923.97</u>	<u>484,026.75</u>	<u>0.11</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$11,211,151.39 and the accumulated depreciation is \$4,328,044.99.

6,883,106.40

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.

(3,750.00)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(291,770.49)

Net assets of governmental activities

10,351,146.71

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	5,564,138.00			107,128.00	5,671,266.00
Other Local Government Units - Restricted	10,862.56				10,862.56
Interest Earned on Emergency Reserve Funds	101.78				101.78
Interest Earned on Maintenance Reserve Funds	115.65				115.65
Interest Earned on Capital Reserve Funds	274.55				274.55
Interest Earned on Investments	854.36				854.36
Miscellaneous	19,689.12				19,689.12
Total - Local Sources	5,596,036.02			107,128.00	5,703,164.02
State Sources	7,370,484.01	560,666.24	267,327.74	70,872.00	8,269,349.99
Federal Sources	218,323.44	691,747.41			910,070.85
Total Revenues	<u>13,184,843.47</u>	<u>1,252,413.65</u>	<u>267,327.74</u>	<u>178,000.00</u>	<u>14,882,584.86</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	3,719,355.75	1,038,991.99			4,758,347.74
Special Education Instruction	990,941.60				990,941.60
Other Special Instruction	451,750.82				451,750.82
Other Instruction	72,832.76				72,832.76
Support Services and Undistributed Costs:					
Tuition	439,836.24				439,836.24
Student & Instruction Related Services	1,179,718.80	186,421.47			1,366,140.27
School Administrative Services	430,717.82				430,717.82
General Administrative Services	287,826.24				287,826.24
Central & Admin. Inf. Technology	368,250.14				368,250.14
Plant Operations and Maintenance	872,417.78				872,417.78
Pupil Transportation	251,473.91				251,473.91
Unallocated Benefits	2,934,372.35				2,934,372.35
Capital Outlay	99,390.60	27,000.19	491,230.23		617,621.02
Debt Service:					
Principal				160,000.00	160,000.00
Interest and Other Charges				18,000.00	18,000.00
Total Expenditures	<u>12,098,884.81</u>	<u>1,252,413.65</u>	<u>491,230.23</u>	<u>178,000.00</u>	<u>14,020,528.69</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,085,958.66</u>		<u>(223,902.49)</u>		<u>862,056.17</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	55,420.93		257,440.00		312,860.93
Transfers out	(257,440.00)		(55,420.93)		(312,860.93)
Prior Year Receivable Canceled			(109,310.00)		(109,310.00)
Total other financing sources and (uses)	<u>(202,019.07)</u>		<u>92,709.07</u>		<u>(109,310.00)</u>
Net Change in Fund Balances	883,939.59		(131,193.42)		752,746.17
Fund Balance—July 1	2,455,965.52		554,849.00	0.11	3,010,814.63
Fund Balance—June 30	<u>3,339,905.11</u>		<u>423,655.58</u>	<u>0.11</u>	<u>3,763,560.80</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2012**

Total net change in fund balances - governmental funds (from B-2) 752,746.17

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(267,965.01)	
Depreciable Capital Outlays	<u>605,734.02</u>	337,769.01

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

Bond Principal	160,000.00
----------------	------------

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest change is an adjustment in the reconciliation.

3,750.00

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase/(Decrease) in Compensated Absences Payable	(25,139.92)
---	-------------

Change in net assets of governmental activities

1,229,125.26

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	<b>Business-Type Activities -</b>		
	<b>Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After Care / Summer Camp Program</b>	<b>Total Enterprise Fund</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	263,002.98	86,131.88	349,134.86
Accounts Receivable:			
State	510.89		510.89
Federal	23,348.41	988.76	24,337.17
Inventories	4,969.19		4,969.19
Total Current Assets	<u>291,831.47</u>	<u>87,120.64</u>	<u>378,952.11</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	336,063.20		336,063.20
Less Accumulated Depreciation	<u>(145,258.29)</u>		<u>(145,258.29)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>190,804.91</u>		<u>190,804.91</u>
Total Assets	<u>482,636.38</u>	<u>87,120.64</u>	<u>569,757.02</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	30,959.18	1,935.40	32,894.58
Interfunds Payable	<u>122,291.75</u>		<u>122,291.75</u>
Total Current Liabilities	<u>153,250.93</u>	<u>1,935.40</u>	<u>155,186.33</u>
Total Liabilities	<u>153,250.93</u>	<u>1,935.40</u>	<u>155,186.33</u>
<b>NET ASSETS</b>			
Invested in Capital Assets Net of Related Debt	190,804.91		190,804.91
Unrestricted	<u>138,580.54</u>	<u>85,185.24</u>	<u>223,765.78</u>
Total Net Assets	<u>329,385.45</u>	<u>85,185.24</u>	<u>414,570.69</u>

The accompanying Notes to Basic Financial Statements  
are an integral part of this statement.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	<b>Business-Type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After Care / Summer Camp Program</b>	<b>Total Enterprise Fund</b>
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	75,151.15		75,151.15
Daily Sales - Non-Reimbursable Programs	22,578.07		22,578.07
Miscellaneous		140,248.88	140,248.88
Total Operating Revenues	<u>97,729.22</u>	<u>140,248.88</u>	<u>237,978.10</u>
Operating Expenses:			
Cost of Sales	232,242.66		232,242.66
Salaries	109,333.96	154,506.05	263,840.01
Supplies and Materials	51,406.66	9,379.39	60,786.05
Employee Benefits	23,687.49	7,629.00	31,316.49
Purchased Professional and Technical Services	26,478.18	215.00	26,693.18
Cleaning Repair & Maintenance	7,882.60		7,882.60
Non-Instructional Equipment		1,084.00	1,084.00
Miscellaneous Expense	4,148.92		4,148.92
Depreciation	13,953.18		13,953.18
Total Operating Expenses	<u>469,133.65</u>	<u>172,813.44</u>	<u>641,947.09</u>
Operating Income (Loss)	<u>(371,404.43)</u>	<u>(32,564.56)</u>	<u>(403,968.99)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	7,228.73		7,228.73
Federal Sources:			
National School Lunch Program	299,339.28		299,339.28
School Breakfast Program	26,860.50		26,860.50
After School Snack Program		15,057.88	15,057.88
Summer Food Service Program	6,135.21		6,135.21
U.S.D.A. Commodities:			
Food Distribution Program	30,303.47		30,303.47
Interest and Investment Revenue	2.21		2.21
Total Nonoperating Revenues (Expenses)	<u>369,869.40</u>	<u>15,057.88</u>	<u>384,927.28</u>
Income (Loss) Before Contributions & Transfers	<u>(1,535.03)</u>	<u>(17,506.68)</u>	<u>(19,041.71)</u>
Transfers In (Out)			
Change in Net Assets	<u>(1,535.03)</u>	<u>(17,506.68)</u>	<u>(19,041.71)</u>
Total Net Assets—Beginning	<u>330,920.48</u>	<u>102,691.92</u>	<u>433,612.40</u>
Total Net Assets—Ending	<u>329,385.45</u>	<u>85,185.24</u>	<u>414,570.69</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	<b>Business-Type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>After Care / Summer Camp Program</b>	<b>Total Enterprise Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	97,729.22	140,248.88	237,978.10
Receipts from Interfunds	229,945.03		229,945.03
Payments to Employees	(29,092.71)	(154,506.05)	(183,598.76)
Payments for Employee Benefits	(2,349.25)	(7,629.00)	(9,978.25)
Payments to Suppliers	(7,882.60)	(8,197.78)	(16,080.38)
Payments for Miscellaneous Expenses		(1,249.00)	(1,249.00)
Payments to Food Service Management Company	(345,625.70)		(345,625.70)
Net Cash Provided by (Used for) Operating Activities	(57,276.01)	(31,332.95)	(88,608.96)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	7,659.63		7,659.63
Federal Sources	335,677.01	15,110.30	350,787.31
Net Cash Provided by (Used for) Non-Capital Financing Activities	343,336.64	15,110.30	358,446.94
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets	(159,812.60)		(159,812.60)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(159,812.60)		(159,812.60)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	2.21		2.21
Net Cash Provided by (Used for) Investing Activities	2.21		2.21
Net Increase (Decrease) in Cash and Cash Equivalents	126,250.24	(16,222.65)	110,027.59
Balances—Beginning of Year	136,752.74	102,354.53	239,107.27
Balances—End of Year	263,002.98	86,131.88	349,134.86
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	(371,404.43)	(32,564.56)	(403,968.99)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities			
Depreciation and Net Amortization	13,953.18		13,953.18
Food Distribution Program Donated Commodities	30,303.47		30,303.47
(Increase) Decrease in Accounts Receivable, Net	193,453.00		193,453.00
Increase (Decrease) in Accounts Payable	(5,741.30)	1,231.61	(4,509.69)
Total Adjustments	231,968.35	1,231.61	233,199.96
Net Cash Provided by (Used for) Operating Activities	(139,436.08)	(31,332.95)	(170,769.03)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.



**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	368,121.58	393,392.43
Interfund Receivable		5,751.70
Total Assets	<u>368,121.58</u>	<u>399,144.13</u>
<b>LIABILITIES</b>		
Interfund Payable	3,872.42	6,586.41
Payable to Student Groups		19,920.97
Payroll Deductions and Withholdings		372,636.75
Total Liabilities	<u>3,872.42</u>	<u>399,144.13</u>
<b>NET ASSETS</b>		
Held in Trust for Unemployment Claims and Other Purposes	<u>364,249.16</u>	

The accompanying Notes to Basic Financial Statements are an integral part of this statement

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2012**

	<u>Unemployment Compensation Trust Fund</u>
<b>ADDITIONS</b>	
Contributions:	
Plan Member	19,359.24
Total Contributions	<u>19,359.24</u>
Investment Earnings:	
Interest	18.46
Net Investment Earnings	<u>18.46</u>
Total Additions	<u>19,377.70</u>
<b>DEDUCTIONS</b>	
Quarterly Contribution Reports	7,448.37
Unemployment Claims	<u>39,231.46</u>
Total Deductions	<u>46,679.83</u>
Change in Net Assets	(27,302.13)
Net Assets—Beginning of the Year	<u>391,551.29</u>
Net Assets—End of the Year	<u><u>364,249.16</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

## **NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Board of Education ("Board") of the Borough of Haledon School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Haledon School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education of the Borough of Haledon School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board's accounting policies are described below.

**Borough of Haledon School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**A. Basis of Presentation:**

The Board's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**District-wide Financial Statements:**

The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

**Fund Financial Statements:**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Borough of Haledon School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**General Fund** - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Borough of Haledon School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**PROPRIETARY FUNDS**

The focus of Proprietary Fund measurement is upon determination of net income, changes in net assets, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service program, summer camp program and after care program.

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net assets and changes in net assets. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

**B. Measurement Focus:**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net assets and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net assets, except for fiduciary funds.

**Borough of Haledon School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus: (continued)**

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**C. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.



**Borough of Haledon School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**C. Basis of Accounting: (continued)**

**Revenues - Exchange and Non-exchange Transactions, (continued)**

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

**Borough of Haledon School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**D. Budgets/Budgetary Control: (continued)**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**E. Encumbrances:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**F. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**Borough of Haledon School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**F. Cash, Cash Equivalents and Investments: (continued)**

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**G. Tuition Receivable:**

Tuition charges were established by the District based on estimated costs. The charges are subject to adjustment when final costs have been determined.

**H. Tuition Payable:**

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

**I. Inventories:**

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**J. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**K. Short-Term Interfund Receivables/Payables:**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**L. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net assets and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**Borough of Haledon School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**M. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**N. Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

**O. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**P. Fund Balances:**

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Borough of Haledon School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Q. Net Assets:**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**R. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**S. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**T. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Borough of Haledon School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**U. Use of Estimates:**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2012, \$-0- of the District's bank balance of \$3,998,829.72 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The District places no limit on the amount the District may invest in any one issuer.



**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2012, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Proprietary/ Enterprise Fund	District Wide Financial Statements
Tax Levy	\$927,356.30	\$	\$927,356.30
State Aid	235,631.54	510.89	236,142.43
Federal Aid	128,812.11	24,337.17	153,149.28
Other	4,252.00		4,252.00
Interfunds	<u>127,366.13</u>	<u></u>	<u>127,366.13</u>
Gross Receivables	1,423,418.08	24,848.06	1,448,266.14
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$1,423,418.08</u>	<u>\$24,848.06</u>	<u>\$1,448,266.14</u>

**NOTE 5. INTERFUND BALANCES AND ACTIVITY**

Balance due to/from other funds at June 30, 2012, consist of the following:

\$367.25	Due to the Net Payroll Fund from the General Fund for shortage in transfer.
1,512.03	Due to the Payroll Agency Fund from the Net Payroll Fund for excess deposits.
3,872.42	Due to the Payroll Agency Fund from the Unemployment Compensation Trust Fund for unemployment trust bills paid from the Payroll Agency Account.
5,074.38	Due to the General Fund from the Payroll Agency Fund for repayment of excess funds deposited in the Payroll Agency Account.
<u>122,291.75</u>	Due to the General Fund from the Enterprise Fund for Enterprise Fund expenditures paid in the General Fund.
<u>\$133,117.83</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

Interfund transfers for the year ended June 30, 2012 consisted of the following:

\$257,440.00 from the General Fund to the Capital Projects for the local share of facility projects.

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Restated Balance <u>6/30/11</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/12</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$1,122,000.00			\$1,122,000.00
Construction in Progress	<u>1,198,947.11</u>	<u>\$521,942.21</u>	<u>\$(225,069.07)</u>	<u>1,495,820.25</u>
Total Capital Assets, Not Being Depreciated	<u>2,320,947.11</u>	<u>521,942.21</u>	<u>(225,069.07)</u>	<u>2,617,820.25</u>
Capital Assets Being Depreciated				
Land Improvements	292,147.01	24,975.00		317,122.01
Buildings and Improvements	7,194,938.56	21,730.00	225,069.07	7,441,737.63
Furniture, Equipment and Vehicles	<u>1,296,455.74</u>	<u>37,086.81</u>	<u>(499,071.05)</u>	<u>834,471.50</u>
Total Capital Assets, Being Depreciated	<u>8,783,541.31</u>	<u>83,791.81</u>	<u>(274,001.98)</u>	<u>8,593,331.14</u>
Less Accumulated Depreciation:				
Land Improvements	(203,100.21)	(5,450.01)		(208,550.22)
Buildings and Improvements	(3,510,776.42)	(150,629.73)		(3,661,406.15)
Furniture, Equipment and Vehicles	<u>(845,274.40)</u>	<u>(111,885.27)</u>	<u>499,071.05</u>	<u>(458,088.62)</u>
Total Accumulated Depreciation	<u>(4,559,151.03)</u>	<u>(267,965.01)</u>	<u>499,071.05</u>	<u>(4,328,044.99)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,224,390.28</u>	<u>(184,173.20)</u>	<u>225,069.07</u>	<u>4,265,286.15</u>
Governmental Activities Capital Assets, Net	<u>\$6,545,337.39</u>	<u>\$337,769.01</u>	<u>(\$998,142.10)</u>	<u>\$6,883,106.40</u>
	Balance <u>6/30/11</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/12</u>
<b>Business-Type Activity</b>				
Machinery and Equipment	\$176,250.60	\$159,812.60	\$	\$336,063.20
Less Accumulated Depreciation for Machinery and Equipment	<u>(131,305.11)</u>	<u>(13,953.18)</u>	<u>—</u>	<u>(145,258.29)</u>
Business-Type Activity Capital Assets, Net	<u>\$44,945.49</u>	<u>\$145,859.42</u>	<u>\$0.00</u>	<u>\$190,804.91</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$10,733.89
School Administrative Services	79,651.02
Plant Operations and Maintenance	7,539.80
Unallocated Depreciation	<u>170,040.30</u>
	<u>\$267,965.01</u>

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY**

Changes in long-term obligations for the year ended June 30, 2012 were as follows:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated Absences Payable	\$106,630.57	\$47,523.94	(\$22,384.02)	\$131,770.49	\$
Bonds Payable	<u>320,000.00</u>	<u>                    </u>	<u>(160,000.00)</u>	<u>160,000.00</u>	<u>160,000.00</u>
	<u>\$426,630.57</u>	<u>\$47,523.94</u>	<u>(\$182,384.02)</u>	<u>\$291,770.49</u>	<u>\$160,000.00</u>

**A. Bonds Payable:**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Outstanding bonds payable at June 30, 2012 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of</u> <u>Maturity</u>	<u>Principal Balance</u> <u>June 30, 2012</u>
School Bonds Series 1993	02/01/1993	5.625%	02/01/2013	<u>\$160,000.00</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	<u>\$160,000.00</u>	<u>\$9,000.00</u>	<u>\$169,000.00</u>
	<u>\$160,000.00</u>	<u>\$9,000.00</u>	<u>\$169,000.00</u>

**B. Bonds Authorized But Not Issued:**

As of June 30, 2012 the Board has no authorized but not issued bonds.

**C. Capital Leases Payable:**

The District had no capital leases outstanding at June 30, 2012.

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 8. OPERATING LEASES**

The District has commitments to lease certain office equipment under operating leases that expire in 2014. Total operating lease payments made during the year ended June 30, 2012 were \$17,008.75. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$18,021.90
2014	<u>4,670.77</u>
Total Future Minimum Lease Payments	<u>\$22,692.67</u>

**NOTE 9. PENSION PLANS**

**Description of Plans** - Substantially all employees of the District are covered by either the Public Employees' Retirement System (PERS), the Teachers' Pension and Annuity Fund (TPAF) or the Defined Contribution Retirement Program (DCRP), which have been established by state statute. PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm). Prudential Financial jointly administers the DCRP investments with the New Jersey Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join the TPAF or the PERS. However, if an employee is ineligible to enroll in the TPAF or PERS, the employee may be eligible to enroll in DCRP.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 9. PENSION PLANS, (continued)**

**Defined Contribution Retirement Plan (DCRP)** - The Defined Contribution Retirement Program was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

**Contribution Requirements** - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums. Employee contributions for DCRP are based on 5.50% of employee's annual compensation and are matched by a 3% employer contribution.

During the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

<u>Year</u> <u>Ending</u>	
6/30/12	\$108,992.00
6/30/11	104,840.00
6/30/10	92,266.00

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 9. PENSION PLANS, (continued)**

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

<u>Year Ending</u>	<u>Post- Retirement Medical Contributions</u>	<u>Pension Contributions</u>	<u>NCGI Premium</u>
6/30/12	\$387,152.00	\$173,924.00	\$18,664.00
6/30/11	383,181.00		18,040.00
6/30/10	368,582.00		19,625.00

During the year ended June 30, 2012, the State of New Jersey contributed \$579,740.00 to the TPAF for pension contributions, NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$472,899.75 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the district-wide financial statements, and the fund based statements as a revenue and expenditure in accordance with GASB 24.

The Board did not make any contributions to the DCRP for the years ended June 30, 2012, 2011 or 2010.

**NOTE 10. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits and the State contributed \$935.5 million on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2011, the State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members.

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 11. DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by CPI Qualified Plan Consultants, Inc., permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan participants are as follows:

Equitable

Lincoln Investment Planning

VALIC

**NOTE 12. RISK MANAGEMENT**

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

**Property and Liability Insurance** - The District is currently a member of the Suburban Essex Joint Insurance Fund (the "Fund"). The Fund provides it's members with General Liability, Auto Liability, Property, Employee Benefits Liability, Worker's Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of School District's established for the purpose of providing low-cost insurance coverage for their respective members in order to keep insurance costs at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Funds are elected.

As a member of the Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Funds were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. However, this Fund has fully reinsured the exposures above all limits subscribed to by its members. The Funds can declare and distribute dividends to members upon arrival of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial statements for the Funds are available at the office of the Fund's administrator, PERMA, 9 Campus Drive, Suite 16, Parsippany, NJ 07054.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 12. RISK MANAGEMENT, (continued)**

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	District Contributions/ Interest <u>Earnings</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2011-2012	\$18.46	\$19,359.24	\$46,679.83	\$364,249.16
2010-2011	31,900.82	17,924.04	37,753.23	391,551.29
2009-2010	55,967.93	17,217.05	44,677.12	379,479.66

**NOTE 13. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$3,339,905.11 General Fund fund balance at June 30, 2012, \$28,004.17 is reserved for encumbrances; \$686,448.43 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$404,758.97 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2013); \$2,262,028.91 has been reserved in the Capital Reserve Account; \$405,154.53 has been reserved in the Maintenance Reserve Account; \$275,126.78 has been reserved in the Emergency Reserve Account; \$.03 has been appropriated and included as anticipated revenue for the year ending June 30, 2013; and (\$316,857.74) is unreserved and undesignated.

**Debt Service Fund** - Of the \$.11 Debt Service Fund fund balance at June 30, 2012, \$.11 is unreserved and undesignated.

**NOTE 14. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$686,448.43, of which \$281,689.46 is the result of current year operations and \$404,758.97 is the result of the year ended June 30, 2011.



**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 15. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Borough of Haledon School District by inclusion of \$1.00 on October 3, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011		\$1,609,781.43
Interest earnings	\$274.55	
Deposits	<u>855,420.93</u>	
		<u>855,695.48</u>
		2,465,476.91
Withdrawals:		
Budgeted Withdrawal		<u>203,448.00</u>
Ending balance, June 30, 2012		<u>\$2,262,028.91</u>

The balance in the capital reserve account at June 30, 2012 does not exceed the balance of local support costs of uncompleted capital projects in its LRFP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 16. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by Board of Education resolution adopted June 24, 2008. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

The activity of the maintenance reserve for the July 1, 2011 to June 30, 2012 fiscal years is as follows:

Beginning balance, July 1, 2011		\$275,137.88
Interest earnings	\$115.65	
Deposits	<u>129,901.00</u>	
		<u>130,016.65</u>
Ending balance, June 30, 2012		<u>\$405,154.53</u>

**NOTE 17. EMERGENCY RESERVE ACCOUNT**

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

Beginning balance, July 1, 2011		\$225,025.00
Interest earnings	\$101.78	
Deposits	<u>50,000.00</u>	
		<u>50,101.78</u>
Ending balance, June 30, 2012		<u>\$275,126.78</u>

**Borough of Haledon School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**NOTE 18. RETROACTIVE RESTATEMENT DUE TO UPDATED CAPITAL ASSET INVENTORY**

During fiscal year 2012, the District authorized it's capital asset appraisal firm to research and conduct a physical inventory of it's fixed assets. This resulted in changes resulting in the following restatement of net assets as of June 30, 2011:

	Governmental Activities
Net Assets, June 30, 2011	\$9,811,308.93
Restatement of Capital Assets	<u>(689,287.48)</u>
Net Assets, June 30, 2011 - Restated	<u>\$9,122,021.45</u>

**NOTE 19. INVENTORY**

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$4,221.17
Supplies	<u>748.02</u>
	<u>\$4,969.19</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

**NOTE 20. CONTINGENT LIABILITIES**

**Grant Programs** - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**Litigation** - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2012**

Page 1 of 6

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	5,564,138.00		5,564,138.00	5,564,138.00	
Other Local Government Units - Unrestricted	44,337.00		44,337.00	10,862.56	(33,474.44)
Interest Earned on Emergency Reserve Funds	250.00		250.00	101.78	(148.22)
Interest Earned on Maintenance Reserve Funds	250.00		250.00	115.65	(134.35)
Interest Earned on Capital Reserve Funds	28,000.00		28,000.00	274.55	(27,725.45)
Interest on Investments				854.36	854.36
Miscellaneous	9,850.00		9,850.00	19,689.12	9,839.12
Total - Local Sources	5,646,825.00		5,646,825.00	5,596,036.02	(50,788.98)
State Sources:					
Categorical Special Education Aid	562,368.00		562,368.00	562,368.00	
Equalization Aid	5,625,318.00		5,625,318.00	5,707,467.00	82,149.00
Categorical Security Aid				40,309.00	40,309.00
Extraordinary Aid				51,733.00	51,733.00
Other State Aid - Reimburse Nonpublic School Transportation				7,735.26	7,735.26
Other State Aid - Anti Bullying Grant				36.00	36.00
On-behalf Teachers Pension and Annuity Fund (non-budgeted)				173,924.00	173,924.00
On-behalf TPAF NCGI Premium (non-budgeted)				18,664.00	18,664.00
On-behalf TPAF Post Retirement Medical (non-budgeted)				387,152.00	387,152.00
TPAF Social Security (Reimbursed - Non-Budgeted)				472,899.75	472,899.75
Total - State Sources	6,187,686.00		6,187,686.00	7,422,288.01	1,234,602.01
Federal Sources:					
Medicaid Reimbursement	22,304.00		22,304.00	30,770.30	8,466.30
Education Jobs Fund	221,275.00	6,932.00	228,207.00	187,553.14	(40,653.86)
Total - Federal Sources	243,579.00	6,932.00	250,511.00	218,323.44	(32,187.56)
<b>TOTAL REVENUES</b>	<b>12,078,090.00</b>	<b>6,932.00</b>	<b>12,085,022.00</b>	<b>13,236,647.47</b>	<b>1,151,625.47</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool - Salaries of Teachers	20,647.00	32,970.60	53,617.60	53,617.60	
Kindergarten - Salaries of Teachers	349,332.00		349,332.00	346,486.00	2,846.00
Grades 1-5 - Salaries of Teachers	1,796,621.00	65,961.40	1,862,582.40	1,824,121.54	38,460.86
Grades 6-8 - Salaries of Teachers	1,371,790.00	(92,000.00)	1,279,790.00	1,250,785.01	29,004.99
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	10,000.00		10,000.00	3,714.50	6,285.50
Purchased Professional-Educational Services	500.00		500.00		500.00
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Professional-Educational Services	48,000.00		48,000.00	46,687.00	1,313.00
Other Purchased Services (400-500 series)	29,000.00		29,000.00	22,295.50	6,704.50
General Supplies	170,348.90	6,500.00	176,848.90	155,580.64	21,268.26
Textbooks	30,000.00	(6,500.00)	23,500.00	3,011.40	20,488.60
Other Objects	13,000.00	3,000.00	16,000.00	13,056.56	2,943.44
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>3,839,238.90</b>	<b>9,932.00</b>	<b>3,849,170.90</b>	<b>3,719,355.75</b>	<b>129,815.15</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	189,110.00	3,099.00	192,209.00	192,209.00	
Other Salaries for Instruction	64,498.00	7,872.00	72,370.00	72,099.46	270.54
General Supplies	1,344.34	29.00	1,373.34	1,373.24	0.10
Textbooks	520.20		520.20	520.20	
<b>Total Learning and/or Language Disabilities</b>	<b>255,472.54</b>	<b>11,000.00</b>	<b>266,472.54</b>	<b>266,201.90</b>	<b>270.64</b>
<b>Behavioral Disabilities:</b>					
Salaries of Teachers		55,380.00	55,380.00	55,380.00	
Other Salaries for Instruction		23,000.00	23,000.00	21,051.28	1,948.72
General Supplies		1,000.00	1,000.00	1,000.00	
Textbooks		500.00	500.00	500.00	
<b>Total Behavioral Disabilities</b>		<b>79,880.00</b>	<b>79,880.00</b>	<b>77,931.28</b>	<b>1,948.72</b>

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2012**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Multiple Disabilities:</b>					
Salaries of Teachers	64,540.00		64,540.00	63,000.00	1,540.00
Other Salaries for Instruction		6,142.35	6,142.35		6,142.35
General Supplies	918.36		918.36	918.36	
Textbooks	342.50		342.50	342.00	0.50
<b>Total Multiple Disabilities</b>	<b>65,800.86</b>	<b>6,142.35</b>	<b>71,943.21</b>	<b>64,260.36</b>	<b>7,682.85</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	434,070.00	7,777.00	441,847.00	441,847.00	
Other Salaries for Instruction		1,473.00	1,473.00	672.07	800.93
General Supplies	3,444.65	(1,000.00)	2,444.65	2,364.35	80.30
Textbooks	1,293.65		1,293.65	1,141.38	152.27
<b>Total Resource Room/Resource Center</b>	<b>438,808.30</b>	<b>8,250.00</b>	<b>447,058.30</b>	<b>446,024.80</b>	<b>1,033.50</b>
<b>Autism:</b>					
Salaries of Teachers	50,260.00	785.00	51,045.00	51,045.00	
Other Salaries for Instruction	48,465.00	3,822.65	52,287.65	52,287.65	
General Supplies	295.19	1,969.00	2,264.19	2,183.89	80.30
Textbooks	1,192.00	(1,192.00)			
<b>Total Autism</b>	<b>100,212.19</b>	<b>5,384.65</b>	<b>105,596.84</b>	<b>105,516.54</b>	<b>80.30</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	47,270.00		47,270.00	9,568.00	37,702.00
Other Salaries for Instruction	15,464.00		15,464.00	10,769.26	4,694.74
General Supplies	1,505.00		1,505.00	1,424.02	80.98
<b>Total Preschool Disabilities - Part-Time</b>	<b>64,239.00</b>		<b>64,239.00</b>	<b>21,761.28</b>	<b>42,477.72</b>
<b>Home Instruction:</b>					
Salaries of Teachers	15,000.00		15,000.00	7,595.44	7,404.56
Purchased Professional-Educational Services	5,650.00	(777.00)	4,873.00	1,650.00	3,223.00
<b>Total Home Instruction</b>	<b>20,650.00</b>	<b>(777.00)</b>	<b>19,873.00</b>	<b>9,245.44</b>	<b>10,627.56</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>945,182.89</b>	<b>109,880.00</b>	<b>1,055,062.89</b>	<b>990,941.60</b>	<b>64,121.29</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	344,225.00	(38,000.00)	306,225.00	237,000.00	69,225.00
Textbooks	1,500.00	(151.02)	1,348.98		1,348.98
<b>Total Basic Skills/Remedial - Instruction</b>	<b>345,725.00</b>	<b>(38,151.02)</b>	<b>307,573.98</b>	<b>237,000.00</b>	<b>70,573.98</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	210,660.00	1,445.00	212,105.00	212,105.00	
General Supplies	500.00	2,865.02	3,365.02	2,645.82	719.20
<b>Total Bilingual Education - Instruction</b>	<b>211,160.00</b>	<b>4,310.02</b>	<b>215,470.02</b>	<b>214,750.82</b>	<b>719.20</b>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	30,360.00	17,114.00	47,474.00	47,474.00	
Supplies and Materials	6,397.30	1,886.00	8,283.30	7,596.26	687.04
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>36,757.30</b>	<b>19,000.00</b>	<b>55,757.30</b>	<b>55,070.26</b>	<b>687.04</b>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	15,000.00	(2,000.00)	13,000.00	10,000.00	3,000.00
Purchased Services (300-500 series)	5,000.00		5,000.00	5,000.00	
Supplies and Materials	5,000.00	(2,000.00)	3,000.00	2,762.50	237.50
<b>Total Other Instructional Programs - Instruction</b>	<b>25,000.00</b>	<b>(4,000.00)</b>	<b>21,000.00</b>	<b>17,762.50</b>	<b>3,237.50</b>
<b>TOTAL INSTRUCTION</b>	<b>5,403,064.09</b>	<b>100,971.00</b>	<b>5,504,035.09</b>	<b>5,234,880.93</b>	<b>269,154.16</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular		18,000.00	18,000.00	17,361.13	638.87
Tuition to Other LEAs Within the State - Special		16,664.00	16,664.00	16,664.00	
Tuition to CSSD & Regional Day Schools	254,796.00	(202,729.00)	52,067.00	51,500.00	567.00
Tuition to Private Schools for the Disabled - Within State	331,145.00	24,000.00	355,145.00	354,311.11	833.89
Tuition to Private Schools for the Disabled - Out of State	63,000.00	(16,000.00)	47,000.00		47,000.00
<b>Total Undistributed Expenditures - Instruction:</b>	<b>648,941.00</b>	<b>(160,065.00)</b>	<b>488,876.00</b>	<b>439,836.24</b>	<b>49,039.76</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	42,714.00	58,050.00	100,764.00	53,689.03	47,074.97
Supplies and Materials	1,345.00		1,345.00	787.20	557.80
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>44,059.00</b>	<b>58,050.00</b>	<b>102,109.00</b>	<b>54,476.23</b>	<b>47,632.77</b>

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2012**

Exhibit C-1

Page 3 of 6

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Health Services</b>					
Salaries	132,225.00	4,342.98	136,567.98	136,567.98	
Purchased Professional and Technical Services	6,500.00		6,500.00	6,423.00	77.00
Other Purchased Services (400-500 series)	1,250.00		1,250.00	389.72	860.28
Supplies and Materials	11,000.00		11,000.00	8,992.46	2,007.54
Other Objects	500.00		500.00	284.00	216.00
<b>Total Undistributed Expenditures - Health Services</b>	<b>151,475.00</b>	<b>4,342.98</b>	<b>155,817.98</b>	<b>152,657.16</b>	<b>3,160.82</b>
<b>Undist. Expend. - Speech, OT, PT, &amp; Related Services</b>					
Salaries	415,391.00	8,000.00	423,391.00	391,349.25	32,041.75
Purchased Professional - Educational Services	82,000.00	(8,000.00)	74,000.00	5,280.00	68,720.00
Supplies and Materials	1,000.00		1,000.00	236.47	763.53
<b>Total Undist. Expend. - Speech, OT, PT, &amp; Related Services</b>	<b>498,391.00</b>		<b>498,391.00</b>	<b>396,865.72</b>	<b>101,525.28</b>
<b>Undist. Expenditures - Guidance</b>					
Salaries of Other Professional Staff	51,860.00	785.00	52,645.00	52,645.00	
Other Purchased Prof. and Tech. Services	5,000.00		5,000.00	920.00	4,080.00
Supplies and Materials	35,000.00	(5,128.06)	29,871.94	16,587.25	13,284.69
<b>Total Undist. Expenditures - Guidance</b>	<b>91,860.00</b>	<b>(4,343.06)</b>	<b>87,516.94</b>	<b>70,152.25</b>	<b>17,364.69</b>
<b>Undist. Expend. - Child Study Team</b>					
Salaries of Other Professional Staff	330,424.00		330,424.00	308,328.60	22,095.40
Salaries of Secretarial and Clerical Assistants	48,292.00	0.08	48,292.08	48,292.08	
Purchased Professional - Educational Services	62,000.00		62,000.00	42,015.54	19,984.46
Other Purchased Prof. and Tech. Services	13,080.00	(200.00)	12,880.00	1,382.00	11,498.00
Supplies and Materials	1,875.00	(150.00)	1,725.00	1,719.03	5.97
Other Objects		150.00	150.00	150.00	
<b>Total Undist. Expend. - Child Study Team</b>	<b>455,671.00</b>	<b>(199.92)</b>	<b>455,471.08</b>	<b>401,887.25</b>	<b>53,583.83</b>
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Other Professional Staff	5,000.00		5,000.00		5,000.00
Supplies and Materials	1,500.00		1,500.00	1,357.00	143.00
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<b>6,500.00</b>		<b>6,500.00</b>	<b>1,357.00</b>	<b>5,143.00</b>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	82,530.00		82,530.00	79,950.00	2,580.00
Supplies and Materials	12,781.86	200.00	12,981.86	12,719.74	262.12
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<b>95,311.86</b>	<b>200.00</b>	<b>95,511.86</b>	<b>92,669.74</b>	<b>2,842.12</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Other Purchased Services (400-500 series)	10,000.00	3,450.00	13,450.00	9,653.45	3,796.55
Supplies and Materials	250.00	(250.00)			
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>10,250.00</b>	<b>3,200.00</b>	<b>13,450.00</b>	<b>9,653.45</b>	<b>3,796.55</b>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	54,000.00		54,000.00	52,900.08	1,099.92
Legal Services	65,000.00	(23,100.00)	41,900.00	24,235.25	17,664.75
Audit Fees	24,000.00		24,000.00	4,500.00	19,500.00
Other Purchased Professional Services	126,232.00	27,960.00	154,192.00	138,819.72	15,372.28
Communications/Telephone	73,360.00	(1,600.00)	71,760.00	40,568.87	31,191.13
BOE Other Purchased Services	2,500.00		2,500.00	2,103.86	396.14
Other Purchased Services (400-500 series)	24,645.00	5,140.00	29,785.00	17,084.79	12,700.21
General Supplies	4,000.00	(70.56)	3,929.44		3,929.44
Miscellaneous Expenditures	1,584.00	1,070.56	2,654.56	1,760.72	893.84
BOE Membership Dues and Fees	9,000.00		9,000.00	5,852.95	3,147.05
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>384,321.00</b>	<b>9,400.00</b>	<b>393,721.00</b>	<b>287,826.24</b>	<b>105,894.76</b>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	328,987.00		328,987.00	311,216.74	17,770.26
Salaries of Secretarial and Clerical Assistants	84,882.00	0.24	84,882.24	84,882.24	
Purchased Professional and Technical Services	3,000.00	(0.24)	2,999.76		2,999.76
Other Purchased Services (400-500 series)	10,170.00		10,170.00	5,444.31	4,725.69
Supplies and Materials	40,000.00	(1,000.00)	39,000.00	20,791.79	18,208.21
Other Objects	7,640.00	1,000.00	8,640.00	8,382.74	257.26
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>474,679.00</b>	<b>0.00</b>	<b>474,679.00</b>	<b>430,717.82</b>	<b>43,961.18</b>



**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2012**

Page 4 of 6

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Central Services</b>					
Salaries	46,288.00	101.38	46,389.38	46,386.38	3.00
Purchased Professional Services	139,930.00	(101.38)	139,828.62	121,996.22	17,832.40
Misc. Purchased Services (400-500 series)	10,975.00		10,975.00	5,924.00	5,051.00
Supplies and Materials	8,102.00		8,102.00	7,464.21	637.79
Miscellaneous Expenditures	1,500.00		1,500.00		1,500.00
<b>Total Undist. Expend. - Central Services</b>	<u>206,795.00</u>	<u>(0.00)</u>	<u>206,795.00</u>	<u>181,770.81</u>	<u>25,024.19</u>
<b>Undist. Expend. - Admin. Info. Tech</b>					
Salaries	39,000.00		39,000.00		39,000.00
Purchased Technical Services	185,500.00		185,500.00	158,936.64	26,563.36
Supplies and Materials	29,036.51		29,036.51	27,542.69	1,493.82
<b>Total Undist. Expend. - Admin. Info. Tech</b>	<u>253,536.51</u>		<u>253,536.51</u>	<u>186,479.33</u>	<u>67,057.18</u>
<b>Undist. Expend. - Required Maint. for School Facilities</b>					
Salaries	67,739.00	(500.00)	67,239.00	39,857.50	27,381.50
Cleaning, Repair and Maintenance Services	175,042.14	10,500.00	185,542.14	181,649.80	3,892.34
General Supplies	36,000.00		36,000.00	31,448.71	4,551.29
<b>Undist. Expend. - Required Maint. for School Facilities</b>	<u>278,781.14</u>	<u>10,000.00</u>	<u>288,781.14</u>	<u>252,956.01</u>	<u>35,825.13</u>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	224,613.00	5,070.17	229,683.17	213,473.83	16,209.34
Purchased Professional and Technical Services	12,500.00	(7,000.00)	5,500.00		5,500.00
Cleaning, Repair and Maintenance Services	86,049.86	17,000.00	103,049.86	94,803.52	8,246.34
Other Purchased Property Services	12,000.00		12,000.00	6,272.70	5,727.30
Insurance	86,000.00		86,000.00	79,723.25	6,276.75
General Supplies	66,608.50		66,608.50	58,824.48	7,784.02
Energy (Energy and Electricity)	165,000.00		165,000.00	129,033.57	35,966.43
Other Objects	1,000.00		1,000.00	166.00	834.00
Energy (Natural Gas)	75,000.00	(25,070.17)	49,929.83	37,164.42	12,765.41
<b>Total Undist. Expend. - Custodial Services</b>	<u>728,771.36</u>	<u>(10,000.00)</u>	<u>718,771.36</u>	<u>619,461.77</u>	<u>99,309.59</u>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries for Pupil Trans (Between Home and School)-Regular	51,265.00	1,159.87	52,424.87	52,424.87	
Cleaning, Repair and Maintenance Services	10,062.72		10,062.72	3,907.04	6,155.68
Contracted Services (Other than Bet Home and School)-Vendors	35,000.00	(10.00)	34,990.00	14,834.50	20,155.50
Contracted Services (Special Ed. Students)-ESCs & CTSAs	150,878.82	(11,481.23)	139,397.59	117,540.85	21,856.74
Contracted Services - Aid in Lieu Payments	45,000.00	10,321.36	55,321.36	55,257.36	64.00
General Supplies	7,500.00	10.00	7,510.00	7,509.29	0.71
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>299,706.54</u>	<u>(0.00)</u>	<u>299,706.54</u>	<u>251,473.91</u>	<u>48,232.63</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	116,048.00	2,000.00	118,048.00	130,343.05	(12,295.05)
Other Retirement Contributions - PERS	114,668.00		114,668.00	108,992.00	5,676.00
Workmen's Compensation	65,000.00		65,000.00	61,787.69	3,212.31
Health Benefits	1,702,017.00	(6,624.00)	1,695,393.00	1,535,806.44	159,586.56
Tuition Reimbursement	34,000.00		34,000.00	24,000.66	9,999.34
Other Employee Benefits	17,400.00		17,400.00	20,802.76	(3,402.76)
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>2,049,133.00</u>	<u>(4,624.00)</u>	<u>2,044,509.00</u>	<u>1,881,732.60</u>	<u>162,776.40</u>
On-behalf Teachers Pension and Annuity Fund (non-budgeted)				173,924.00	(173,924.00)
On-behalf TPAF NCGI Premium (non-budgeted)				18,664.00	(18,664.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)				387,152.00	(387,152.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				472,899.75	(472,899.75)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>1,052,639.75</u>	<u>(1,052,639.75)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>2,049,133.00</u>	<u>(4,624.00)</u>	<u>2,044,509.00</u>	<u>2,934,372.35</u>	<u>(889,863.35)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>6,678,182.41</u>	<u>(94,039.00)</u>	<u>6,584,143.41</u>	<u>6,764,613.28</u>	<u>(180,469.87)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>12,081,246.50</u>	<u>6,932.00</u>	<u>12,088,178.50</u>	<u>11,999,494.21</u>	<u>88,684.29</u>

**BOROUGH OF Haledon School District**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2012**

Exhibit C-1

Page 5 of 6

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Support Services:</b>					
Undistributed Expenditures - Instruction	50,000.00	(35,407.00)	14,593.00	14,366.62	226.38
Undist. Expend. - Support Serv. - Admin Info Tech.	2,858.00	(500.00)	2,358.00	2,250.00	108.00
Undistributed Expenditures - Oper. & Maint. of Plant Services		20,407.00	20,407.00	20,250.00	157.00
<b>Total Equipment</b>	<u>52,858.00</u>	<u>(15,500.00)</u>	<u>37,358.00</u>	<u>36,866.62</u>	<u>491.38</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	105,035.00	(30,892.00)	74,143.00	30,711.98	43,431.02
Other Purchased Prof. and Tech. Services	32,448.00	(32,448.00)			
Construction Services	208,700.00	(178,600.00)	30,100.00	29,925.00	175.00
Assessment for Debt Service on SDA Funding	1,887.00		1,887.00	1,887.00	
<b>Total Facilities Acquisition and Construction Services</b>	<u>348,070.00</u>	<u>(241,940.00)</u>	<u>106,130.00</u>	<u>62,523.98</u>	<u>43,606.02</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>400,928.00</u>	<u>(257,440.00)</u>	<u>143,488.00</u>	<u>99,390.60</u>	<u>44,097.40</u>
<b>TOTAL EXPENDITURES</b>	<u>12,482,174.50</u>	<u>(250,508.00)</u>	<u>12,231,666.50</u>	<u>12,098,884.81</u>	<u>132,781.69</u>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	<u>(404,084.50)</u>	<u>257,440.00</u>	<u>(146,644.50)</u>	<u>1,137,762.66</u>	<u>1,284,407.16</u>
<b>Other Financing Sources/(Uses):</b>					
Operating Transfer In:					
Excess Capital Projects Funds				55,420.93	55,420.93
Operating Transfer Out:					
Transfer from Capital Outlay to Capital Projects Fund		(257,440.00)	(257,440.00)	(257,440.00)	
<b>Total Other Financing Sources/(Uses):</b>		<u>(257,440.00)</u>	<u>(257,440.00)</u>	<u>(202,019.07)</u>	<u>55,420.93</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(404,084.50)</u>		<u>(404,084.50)</u>	<u>935,743.59</u>	<u>1,339,828.09</u>
<b>Fund Balance, July 1</b>	<u>3,030,487.52</u>		<u>3,030,487.52</u>	<u>3,030,487.52</u>	
<b>Fund Balance, June 30</b>	<u>2,626,403.02</u>		<u>2,626,403.02</u>	<u>3,966,231.11</u>	<u>1,339,828.09</u>
<b>Recapitulation of excess (deficiency) of revenues under expenditures:</b>					
Adjustment for Prior Year Encumbrances	(134,037.50)		(134,037.50)	(134,037.50)	
Increase in Capital Reserve					
Principal				855,420.93	855,420.93
Interest	28,000.00		28,000.00	274.55	(27,725.45)
Withdrawal From Capital Reserve	(203,448.00)		(203,448.00)	(203,448.00)	
Increase in Emergency Reserve					
Principal				50,000.00	50,000.00
Interest	250.00		250.00	101.78	(148.22)
Increase in Maintenance Reserve					
Principal	29,901.00		29,901.00	129,901.00	100,000.00
Interest	250.00		250.00	115.65	(134.35)
Budgeted Fund Balance	<u>(125,000.00)</u>		<u>(125,000.00)</u>	<u>237,415.18</u>	<u>362,415.18</u>
Total	<u>(404,084.50)</u>		<u>(404,084.50)</u>	<u>935,743.59</u>	<u>1,339,828.09</u>

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2012**

Exhibit C-1

Page 6 of 6

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance</b>					
Reserve for Excess Surplus - Current Year				281,689.46	
Excess Surplus Designated for Subsequent Year's Expenditures				404,758.97	
Capital Reserve				2,262,028.91	
Maintenance Reserve				405,154.53	
Emergency Reserve				275,126.78	
<b>Committed Fund Balance:</b>					
Year-end Encumbrances				28,004.17	
<b>Assigned Fund Balance:</b>					
Designated for Subsequent Year's Expenditures				0.03	
<b>Unassigned Fund Balance:</b>					
Unrestricted Fund Balance - Undesignated				309,468.26	
				<u>3,966,231.11</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(626,326.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u><u>3,339,905.11</u></u>	

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Education Jobs Fund - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2012**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources:					
Education Jobs Fund	221,275.00	6,932.00	228,207.00	187,553.14	(40,653.86)
Total - Federal Sources	221,275.00	6,932.00	228,207.00	187,553.14	(40,653.86)
<b>TOTAL REVENUES</b>	<b>221,275.00</b>	<b>6,932.00</b>	<b>228,207.00</b>	<b>187,553.14</b>	<b>(40,653.86)</b>
<b>EXPENDITURES:</b>					
Education Jobs Fund Funds:					
Regular Programs - Instruction					
Grades 1-5 - Salaries of Teachers	121,000.00	6,932.00	127,932.00	102,172.64	25,759.36
Grades 6-8 - Salaries of Teachers	100,275.00	-	100,275.00	85,380.50	14,894.50
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>221,275.00</b>	<b>6,932.00</b>	<b>228,207.00</b>	<b>187,553.14</b>	<b>40,653.86</b>

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	576,709.00	125,834.96	702,543.96	560,316.42	(142,227.54)
Federal Sources	527,056.00	543,870.19	1,070,926.19	667,108.68	(403,817.51)
<b>Total Revenues</b>	<b>1,103,765.00</b>	<b>669,705.15</b>	<b>1,773,470.15</b>	<b>1,227,425.10</b>	<b>(546,045.05)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	942,241.00	(179,346.15)	762,894.85	716,496.87	46,397.98
Other Salaries for Instruction		43,037.98	43,037.98	38,923.58	4,114.40
Purchased Professional and Technical Services		182,417.00	182,417.00		182,417.00
Other Purchased Services (400-500 series)		227,846.16	227,846.16	158,832.61	69,013.55
General Supplies	67,722.00	121,442.93	189,164.93	108,345.20	80,819.73
<b>Total Instruction</b>	<b>1,009,963.00</b>	<b>395,397.92</b>	<b>1,405,360.92</b>	<b>1,022,598.26</b>	<b>382,762.66</b>
<b>Support Services:</b>					
Salaries of Program Directors		934.17	934.17		934.17
Salaries of Other Professional Staff	16,490.00	1,141.33	17,631.33	11,764.00	5,867.33
Salaries of Secretarial and Clerical Assist	11,302.00	1,456.35	12,758.35	11,592.09	1,166.26
Other Salaries	21,424.00	48,746.52	70,170.52	56,170.52	14,000.00
Personal Services - Employee Benefits		134,925.28	134,925.28	43,105.35	91,819.93
Purchased Professional & Technical Services		30,069.00	30,069.00	12,235.61	17,833.39
Purchased Professional - Educational Services		45,313.62	45,313.62	38,134.00	7,179.62
Other Purchased Services (400-500 series)		1,000.00	1,000.00	710.00	290.00
Supplies & Materials		10,720.96	10,720.96	9,115.08	1,605.88
<b>Total Support Services</b>	<b>49,216.00</b>	<b>274,307.23</b>	<b>323,523.23</b>	<b>182,826.65</b>	<b>140,696.58</b>
<b>Facilities Acquisition and Const. Serv.:</b>					
Noninstructional Equipment	44,586.00		44,586.00	22,000.19	22,585.81
<b>Total Facilities Acquisition and Const. Serv.</b>	<b>44,586.00</b>		<b>44,586.00</b>	<b>22,000.19</b>	<b>22,585.81</b>
<b>Total Expenditures</b>	<b>1,103,765.00</b>	<b>669,705.15</b>	<b>1,773,470.15</b>	<b>1,227,425.10</b>	<b>546,045.05</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>					

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**For the Year Ended June 30, 2012**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	13,236,647.47	1,227,425.10
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			24,988.55
Less Current Year Encumbrances			
The last State aid payment is recognized as revenue for budgetary purposes in the General Fund, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(626,326.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		574,522.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>13,184,843.47</u>	<u>1,252,413.65</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	12,098,884.81	1,227,425.10
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			24,988.55
Less Current Year Encumbrances			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>12,098,884.81</u>	<u>1,252,413.65</u>

## **SPECIAL REVENUE FUND**

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2012**

	Total	Title I Part - A Improving Basic Programs	Title II Part - A Teacher/Principal Training & Recruiting	Title III English Language Enhancement	Title III Immigrant	Totals 2012
<b>REVENUES</b>						
State Sources	560,316.42					560,316.42
Federal Sources	238,256.26	365,721.00	40,454.05	11,179.51	11,497.86	667,108.68
<b>Total Revenues</b>	<b>798,572.68</b>	<b>365,721.00</b>	<b>40,454.05</b>	<b>11,179.51</b>	<b>11,497.86</b>	<b>1,227,425.10</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	467,310.37	204,345.39	34,517.11	5,320.00	5,004.00	716,496.87
Other Salaries for Instruction	13,967.98	24,955.60				38,923.58
Other Purchased Services (400-500 series)	158,832.61					158,832.61
General Supplies	39,198.24	56,793.59		5,859.51	6,493.86	108,345.20
<b>Total Instruction</b>	<b>679,309.20</b>	<b>286,094.58</b>	<b>34,517.11</b>	<b>11,179.51</b>	<b>11,497.86</b>	<b>1,022,598.26</b>
<b>Support Services:</b>						
Salaries of Other Professional Staff	11,764.00					11,764.00
Salaries of Secretarial and Clerical Assist	11,592.09					11,592.09
Other Salaries	56,170.52					56,170.52
Personal Services - Employee Benefits	2,021.00	35,147.41	5,936.94			43,105.35
Purchased Professional & Technical Services	12,235.61					12,235.61
Purchased Professional - Educational Services	636.00	37,498.00				38,134.00
Other Purchased Services (400-500 series)	710.00					710.00
Supplies & Materials	2,134.07	6,981.01				9,115.08
<b>Total Support Services</b>	<b>97,263.29</b>	<b>79,626.42</b>	<b>5,936.94</b>			<b>182,826.65</b>
<b>Facilities Acquisition and Const. Serv.:</b>						
Noninstructional Equipment	22,000.19					22,000.19
<b>Total Facilities Acquisition and Const. Serv.</b>	<b>22,000.19</b>					<b>22,000.19</b>
<b>Total Expenditures</b>	<b>798,572.68</b>	<b>365,721.00</b>	<b>40,454.05</b>	<b>11,179.51</b>	<b>11,497.86</b>	<b>1,227,425.10</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>						



-64-

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2012**

	Carryover		I.D.E.A. Preschool ARRA	Title I ARRA	Preschool Education Aid	Total Carried Forward
	I.D.E.A. Part B	Preschool				
<b>REVENUES</b>						
State Sources						
Federal Sources						
	34,229.23	13,904.27	1,995.61	15,760.24	560,316.42	560,316.42
						65,889.35
<b>Total Revenues</b>	34,229.23	13,904.27	1,995.61	15,760.24	560,316.42	626,205.77
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	7,600.00	11,858.38			415,413.53	434,871.91
Other Salaries for Instruction	3,280.00				9,408.98	12,688.98
Other Purchased Services (400-500 series)	22,259.16					22,259.16
General Supplies		2,045.89		3,467.24	33,685.11	39,198.24
<b>Total Instruction</b>	33,139.16	13,904.27		3,467.24	458,507.62	509,018.29
<b>Support Services:</b>						
Salaries of Other Professional Staff					10,700.00	10,700.00
Salaries of Secretarial and Clerical Assist					11,592.09	11,592.09
Other Salaries					56,170.52	56,170.52
Personal Services - Employee Benefits	1,009.00		1,995.61	10,240.00		1,009.00
Purchased Professional & Technical Services					636.00	12,235.61
Purchased Professional - Educational Services					710.00	636.00
Other Purchased Services (400-500 series)				2,053.00		710.00
Supplies & Materials	81.07					2,134.07
<b>Total Support Services</b>	1,090.07		1,995.61	12,293.00	79,808.61	95,187.29
<b>Facilities Acquisition and Const. Serv.:</b>						
Noninstructional Equipment					22,000.19	22,000.19
<b>Total Facilities Acquisition and Const. Serv.</b>					22,000.19	22,000.19
<b>Total Expenditures</b>	34,229.23	13,904.27	1,995.61	15,760.24	560,316.42	626,205.77
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>						

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**For the Year Ended June 30, 2012**

	<u>District-wide Total</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	421,186.70	415,413.53	5,773.17
Other Salaries for Instruction	9,408.98	9,408.98	
General Supplies	68,576.78	33,685.11	34,891.67
<b>Total instruction</b>	<u>499,172.46</u>	<u>458,507.62</u>	<u>40,664.84</u>
<b>Support services:</b>			
Salaries of Program Directors	934.17		934.17
Salaries of Other Professional Staff	16,567.33	10,700.00	5,867.33
Salaries of Secretarial and Clerical Assist	12,758.35	11,592.09	1,166.26
Other Salaries	56,170.52	56,170.52	
Personal Services - Employee Benefits	69,485.51		69,485.51
Purchased Professional - Educational Services	1,869.62	636.00	1,233.62
Other Purchased Services (400-500 series)	1,000.00	710.00	290.00
<b>Total support services</b>	<u>158,785.50</u>	<u>79,808.61</u>	<u>78,976.89</u>
<b>Equipment</b>			
Non-Instructional Equipment	44,586.00	22,000.19	22,585.81
<b>Total Equipment</b>	<u>44,586.00</u>	<u>22,000.19</u>	<u>22,585.81</u>
<b>Total expenditures</b>	<u>702,543.96</u>	<u>560,316.42</u>	<u>142,227.54</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2011-12 Preschool Education Aid Allocation	508,810.00
Actual Preschool Carryover ( June 30, 2011)	193,733.96
Total Preschool Education Aid Funds Available for 2011-12 Budget	702,543.96
Less: 2011-12 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(702,543.96)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2012	
Add: 2011-12 Unexpended Preschool Education Aid	142,227.54
2011-12 Actual Carryover - Preschool Education Aid	142,227.54
2011-12 Preschool Education Aid Carryover Budgeted in 2012-13	

## **CAPITAL PROJECTS FUND**

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**For the Year Ended June 30, 2012**

Revenues and Other Financing Sources	
State Sources - EFCFA Grant	409,052.00
Transfer from Capital Outlay	257,440.00
Total Revenues	<u>666,492.00</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	22,738.87
Construction Services	468,491.36
Canceled Intergovernmental Accounts Receivable - State	109,310.00
Transferred to Capital Reserve	55,420.93
Total Expenditures	<u>655,961.16</u>
Excess (deficiency) or Revenues over (under) Expenditures	10,530.84
Fund balance - beginning	<u>669,243.52</u>
Fund balance - ending	<u><u>679,774.36</u></u>
<u>Recapitulation:</u>	
Unrestricted Fund Balance	679,774.36
Reconciliation to Governmental Funds Statements (GAAP):	
EFCFA Grant Receivable not Recognized on GAAP Basis	<u>(256,118.78)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>423,655.58</u></u>

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Haledon Public School Windows**  
**From Inception and For the Year Ended June 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - EFCFA Grant	169,214.00		169,214.00	109,336.00
Transfer from Capital Reserve	85,786.00		85,786.00	55,426.18
Total Revenues	<u>255,000.00</u>		<u>255,000.00</u>	<u>164,762.18</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	17,814.59	7,658.59	25,473.18	25,473.18
Supplies				
Construction Services	139,289.00		139,289.00	139,289.00
Equipment Purchases				
Canceled Intergovernmental Accounts Receivable - State		59,878.00	59,878.00	
Unexpended Transferred to Capital Reserve		30,359.82	30,359.82	
Total Expenditures	<u>157,103.59</u>	<u>97,896.41</u>	<u>255,000.00</u>	<u>164,762.18</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>97,896.41</u>	<u>(97,896.41)</u>		
Additional Project Information:				
Project Number	SP# 1920-015-09-2003			
Grant Date	8/14/2009			
Original Authorized Cost	255,000.00			
Additional Authorized Cost				
Revised Authorized Cost	164,762.18			
Percentage Increase over Original Authorized Cost				
Percentage Completion	100%			
Original target completion date	August 2010			
Revised target completion date				

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Haledon Public School Basement Sprinklers**  
**From Inception and For the Year Ended June 30, 2012**

	<b>Prior Periods</b>	<b>Current Year</b>	<b>Totals</b>	<b>Revised Authorized Cost</b>
Revenues and Other Financing Sources				
State Sources - EFCFA Grant	89,451.00		89,451.00	40,019.00
Transfer from Capital Outlay	45,349.00		45,349.00	20,287.89
Total Revenues	<u>134,800.00</u>		<u>134,800.00</u>	<u>60,306.89</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	21,952.89		21,952.89	21,952.89
Construction Services	38,354.00		38,354.00	38,354.00
Canceled Intergovernmental Accounts Receivable - State		49,432.00	49,432.00	
Unexpended Transferred to Capital Reserve		25,061.11	25,061.11	
Total Expenditures	<u>60,306.89</u>	<u>74,493.11</u>	<u>134,800.00</u>	<u>60,306.89</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>74,493.11</u>	<u>(74,493.11)</u>		

## Additional Project Information:

Project Number	SP# 1920-015-09-2001
Grant Date	8/26/2009
Original Authorized Cost	134,800.00
Additional Authorized Cost	
Revised Authorized Cost	60,306.89
Percentage Increase over Original Authorized Cost	
Percentage Completion	100.00%
Original target completion date	Aug - 2010
Revised target completion date	

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Haledon Public School Other Capital Project**  
**From Inception and For the Year Ended June 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Outlay	<u>1,461,500.00</u>		<u>1,461,500.00</u>	<u>1,461,500.00</u>
Total Revenues	<u>1,461,500.00</u>		<u>1,461,500.00</u>	<u>1,461,500.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		2,984.57	2,984.57	100,000.00
Construction Services	<u>964,646.00</u>	<u>231,388.41</u>	<u>1,196,034.41</u>	<u>1,361,500.00</u>
Total Expenditures	<u>964,646.00</u>	<u>234,372.98</u>	<u>1,199,018.98</u>	<u>1,461,500.00</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>496,854.00</u>	<u>(234,372.98)</u>	<u>262,481.02</u>	

## Additional Project Information:

Project Number

SP# 1920-015-11-1000



**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Haledon Public School ADA Upgrades to Toilet Rooms**  
**From Inception and For the Year Ended June 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - EFCFA Grant		409,052.00	409,052.00	409,052.00
Transfer from Capital Outlay		257,440.00	257,440.00	257,440.00
Total Revenues		<u>666,492.00</u>	<u>666,492.00</u>	<u>666,492.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		12,095.71	12,095.71	122,500.00
Construction Services		237,102.95	237,102.95	543,992.00
Total Expenditures		<u>249,198.66</u>	<u>249,198.66</u>	<u>666,492.00</u>
Excess (deficiency) or Revenues over (under) Expenditures		<u>417,293.34</u>	<u>417,293.34</u>	

## Additional Project Information:

Project Number	SP# 1920-015-11-1000
Grant Date	1/12/2011
Original Authorized Cost	612,500.00
Additional Authorized Cost	53,992.00
Revised Authorized Cost	666,492.00
Percentage Increase over Original Authorized Cost	9%
Percentage Completion	37.39%
Original target completion date	31-Aug-12
Revised target completion date	31-Aug-12

**BOROUGH OF Haledon School District**  
**Capital Projects Fund**  
**Summary Statement of Project Expenditures**  
**For the Year Ended June 30, 2012**

Project Title/Issue	Project Number	Revised Appropriations	Expenditures to Date		Unexpended Balance June 30, 2012
			Prior Years	Current Year	
Haledon Public School - Windows	SP# 1920-015-09-2003	164,762.18	157,103.59	7,658.59	
Haledon Public School - Basement Sprinklers	SP# 1920-015-09-2001	60,306.89	60,306.89		
Haledon Public School - Other Capital Project	SP# 1920-015-11-1000	1,461,500.00	964,646.00	234,372.98	262,481.02
Haledon Public School - ADA Upgrades to Toilet Rooms	SP# 1920-015-10-1001	666,492.00		249,198.66	417,293.34
		<u>2,353,061.07</u>	<u>1,182,056.48</u>	<u>491,230.23</u>	<u>679,774.36</u>

## **PROPRIETARY FUNDS**

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Combining Statement of Net Assets**  
**Enterprise Funds**  
**June 30, 2012**

	<u>Food Service Program</u>	<u>After Care/ Summer Camp Program</u>	<u>Totals</u>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	263,002.98	86,131.88	349,134.86
Accounts Receivable:			
State	510.89		510.89
Federal	23,348.41	988.76	24,337.17
Inventories	4,969.19		4,969.19
Total Current Assets	<u>291,831.47</u>	<u>87,120.64</u>	<u>378,952.11</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	336,063.20		336,063.20
Less Accumulated Depreciation	<u>(145,258.29)</u>		<u>(145,258.29)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>190,804.91</u>		<u>190,804.91</u>
Total Assets	<u>482,636.38</u>	<u>87,120.64</u>	<u>569,757.02</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	30,959.18	1,935.40	32,894.58
Interfunds Payable	<u>122,291.75</u>		<u>122,291.75</u>
Total Current Liabilities	<u>153,250.93</u>	<u>1,935.40</u>	<u>155,186.33</u>
Total Liabilities	<u>153,250.93</u>	<u>1,935.40</u>	<u>155,186.33</u>
<b>NET ASSETS</b>			
Invested in Capital Assets Net of Related Debt	190,804.91		190,804.91
Unrestricted	<u>138,580.54</u>	<u>85,185.24</u>	<u>223,765.78</u>
Total Net Assets	<u>329,385.45</u>	<u>85,185.24</u>	<u>414,570.69</u>

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Enterprise Funds**  
**For the Year Ended June 30, 2012**

	<u>Food Service Program</u>	<u>After Care / Summer Camp Program</u>	<u>Totals</u>
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	75,151.15		75,151.15
Daily Sales - Non-Reimbursable Programs	22,578.07		22,578.07
Miscellaneous - Program Fees		140,248.88	140,248.88
Total Operating Revenues	<u>97,729.22</u>	<u>140,248.88</u>	<u>237,978.10</u>
Operating Expenses:			
Cost of Sales	232,242.66		232,242.66
Salaries	109,333.96	154,506.05	263,840.01
Supplies and Materials	51,406.66	9,379.39	60,786.05
Employee Benefits	23,687.49	7,629.00	31,316.49
Purchased Professional and Technical Services	26,478.18	215.00	26,693.18
Cleaning Repair & Maintenance	7,882.60		7,882.60
Transportation		1,084.00	1,084.00
Miscellaneous Expense	4,148.92		4,148.92
Depreciation	13,953.18		13,953.18
Total Operating Expenses	<u>469,133.65</u>	<u>172,813.44</u>	<u>641,947.09</u>
Operating Income (Loss)	<u>(371,404.43)</u>	<u>(32,564.56)</u>	<u>(403,968.99)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	7,228.73		7,228.73
Federal Sources:			
National School Lunch Program	299,339.28		299,339.28
School Breakfast Program	26,860.50		26,860.50
After School Snack Program		15,057.88	15,057.88
Summer Food Service Program	6,135.21		6,135.21
U.S.D.A. Commodities:			
Food Distribution Program	30,303.47		30,303.47
Interest and Investment Revenue	2.21		2.21
Total Nonoperating Revenues (Expenses)	<u>369,869.40</u>	<u>15,057.88</u>	<u>384,927.28</u>
Income (Loss) Before Contributions & Transfers	<u>(1,535.03)</u>	<u>(17,506.68)</u>	<u>(19,041.71)</u>
Transfers In (Out)			
Change in Net Assets	<u>(1,535.03)</u>	<u>(17,506.68)</u>	<u>(19,041.71)</u>
Total Net Assets—Beginning	<u>330,920.48</u>	<u>102,691.92</u>	<u>433,612.40</u>
Total Net Assets—Ending	<u>329,385.45</u>	<u>85,185.24</u>	<u>414,570.69</u>

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended June 30, 2012**

	<u>Food Service Program</u>	<u>After Care / Summer Camp Program</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	97,729.22	140,248.88	237,978.10
Receipts from Interfunds	229,945.03		229,945.03
Payments to Employees	(29,092.71)	(154,506.05)	(183,598.76)
Payments for Employee Benefits	(2,349.25)	(7,629.00)	(9,978.25)
Payments to Suppliers	(7,882.60)	(8,197.78)	(16,080.38)
Payments for Miscellaneous Expenses		(1,249.00)	(1,249.00)
Payments to Food Service Management Company	(345,625.70)		(345,625.70)
Net Cash Provided by (Used for) Operating Activities	<u>(57,276.01)</u>	<u>(31,332.95)</u>	<u>(88,608.96)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	7,659.63		7,659.63
Federal Sources	335,677.01	15,110.30	350,787.31
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>343,336.64</u>	<u>15,110.30</u>	<u>358,446.94</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets	(159,812.60)		(159,812.60)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(159,812.60)</u>		<u>(159,812.60)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	2.21		2.21
Net Cash Provided by (Used for) Investing Activities	<u>2.21</u>		<u>2.21</u>
Net Increase (Decrease) in Cash and Cash Equivalents	126,250.24	(16,222.65)	110,027.59
Balances—Beginning of Year	136,752.74	102,354.53	239,107.27
Balances—End of Year	<u>263,002.98</u>	<u>86,131.88</u>	<u>349,134.86</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	(371,404.43)	(32,564.56)	(403,968.99)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities			
Depreciation and Net Amortization	13,953.18		13,953.18
Food Distribution Program Donated Commodities	30,303.47		30,303.47
(Increase) Decrease in Accounts Receivable, Net	193,453.00		193,453.00
Increase (Decrease) in Accounts Payable	(5,741.30)	1,231.61	(4,509.69)
Total Adjustments	<u>231,968.35</u>	<u>1,231.61</u>	<u>233,199.96</u>
Net Cash Provided by (Used for) Operating Activities	<u>(139,436.08)</u>	<u>(31,332.95)</u>	<u>(170,769.03)</u>

**FIDUCIARY FUND**

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	368,121.58	393,392.43
Interfund Receivable		5,751.70
Total Assets	<u>368,121.58</u>	<u>399,144.13</u>
<b>LIABILITIES</b>		
Interfund Payable	3,872.42	6,586.41
Payable to Student Groups		19,920.97
Payroll Deductions and Withholdings		372,636.75
Total Liabilities	<u>3,872.42</u>	<u>399,144.13</u>
<b>NET ASSETS</b>		
Held in Trust for Unemployment Claims and Other Purposes	<u>364,249.16</u>	



**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2012**

	<u>Unemployment Compensation Trust Fund</u>
<b>ADDITIONS</b>	
Contributions:	
Plan Member	19,359.24
Total Contributions	<u>19,359.24</u>
Investment Earnings:	
Interest	18.46
Net Investment Earnings	<u>18.46</u>
Total Additions	<u>19,377.70</u>
<b>DEDUCTIONS</b>	
Quarterly Contribution Reports	7,448.37
Unemployment Claims	<u>39,231.46</u>
Total Deductions	<u>46,679.83</u>
Change in Net Assets	(27,302.13)
Net Assets—Beginning of the Year	<u>391,551.29</u>
Net Assets—End of the Year	<u><u>364,249.16</u></u>

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Year Ended June 30, 2012**

	<u>Balance July 1, 2011</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance June 30, 2012</u>
ELEMENTARY SCHOOLS:				
General Organization All Schools	22,157.62	24,505.43	26,742.08	19,920.97
Interfunds Receivable	(3,480.47)	3,480.47		0.00
	<u>18,677.15</u>	<u>27,985.90</u>	<u>26,742.08</u>	<u>19,920.97</u>

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Year Ended June 30, 2012**

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2012</u>
Net Payroll		4,778,419.48	4,778,419.48	
Payroll Deductions and Withholdings	306,336.75	3,862,663.42	3,796,363.42	372,636.75
Interfunds Receivable	(4,717.38)	7,781.58	8,815.90	(5,751.70)
Interfunds Payable	49,306.72	4,216.53	46,936.84	6,586.41
	<u>350,926.09</u>	<u>8,653,081.01</u>	<u>8,630,535.64</u>	<u>373,471.46</u>

## **LONG-TERM DEBT**

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**General Long Term Debt Account Group**  
**Statement of Serial Bonds**  
**June 30, 2012**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2011	Retired	Balance June 30, 2012
Addition to School	2/1/1993	2,750,000.00	2/1/2013	160,000.00	5.625%	320,000.00	160,000.00	160,000.00
						320,000.00	160,000.00	160,000.00

## BOROUGH OF HALEDON SCHOOL DISTRICT

## Budgetary Comparison Schedule

## Debt Service Fund

For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	107,128.00		107,128.00	107,128.00	
State Sources:					
Debt Service Aid Type II	70,872.00		70,872.00	70,872.00	
Total - State Sources	70,872.00		70,872.00	70,872.00	
<b>Total Revenues</b>	<u>178,000.00</u>		<u>178,000.00</u>	<u>178,000.00</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	18,000.00		18,000.00	18,000.00	
Redemption of Principal	160,000.00		160,000.00	160,000.00	
Total Regular Debt Service	<u>178,000.00</u>		<u>178,000.00</u>	<u>178,000.00</u>	
<b>Total expenditures</b>	<u>178,000.00</u>		<u>178,000.00</u>	<u>178,000.00</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance, July 1	0.11		0.11	0.11	
Fund Balance, June 30	<u>0.11</u>		<u>0.11</u>	<u>0.11</u>	

## STATISTICAL SECTION

## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.	



## **STATISTICAL SECTION (UNAUDITED)**

### **Introduction to the Statistical Section**

### **Financial Trends**

- J-1 Net Assets by Component
- J-2 Changes in Net Assets
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

### **Revenue Capacity**

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

### **Debt Capacity**

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

### **Demographic and Economic Information**

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

### **Operating Information**

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information\*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Net Assets by Component**  
**Last Ten Fiscal Years\***  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	3,933,133.01	4,195,394.54	4,556,870.08	4,976,338.81	5,000,651.93	5,373,809.73	5,646,742.06	6,914,624.87	6,723,106.40	
Restricted	477,703.01	1,121,773.90	1,941,909.39	1,353,229.18	1,406,424.08	2,246,208.86	3,116,124.87	3,203,589.89	4,080,418.51	
Unrestricted	68,118.51	132,973.01	(84,397.48)	155,853.00	285,330.04	(189,327.68)	(169,428.27)	(306,905.83)	(452,378.20)	
Total Governmental Activities Net Assets	4,478,954.53	5,450,141.45	6,414,381.99	6,485,420.99	6,672,406.05	7,430,690.91	8,593,438.66	9,811,308.93	10,351,146.71	
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	10,257.54	646.52	21,282.30	18,917.60	19,702.90	19,918.87	50,244.50	44,945.49	190,804.91	
Unrestricted	80,396.71	136,790.18	201,566.52	293,844.77	326,261.33	358,373.42	367,224.49	388,666.91	223,765.78	
Total Business-type Activities Net Assets	90,654.25	137,436.70	222,848.82	312,762.37	345,964.23	378,292.29	417,468.99	433,612.40	414,570.69	
<b>District-wide</b>										
Invested in Capital Assets, Net of Related Debt	3,943,390.55	4,196,041.06	4,578,152.38	4,995,256.41	5,020,354.83	5,393,728.60	5,696,986.56	6,959,570.36	6,913,911.31	
Restricted	477,703.01	1,121,773.90	1,941,909.39	1,353,229.18	1,406,424.08	2,246,208.86	3,116,124.87	3,203,589.89	4,080,418.51	
Unrestricted	148,515.22	269,763.19	117,169.04	449,697.77	591,591.37	169,045.74	197,796.22	81,761.08	(228,612.42)	
Total District Net Assets	4,569,608.78	5,587,578.15	6,637,230.81	6,798,183.36	7,018,370.28	7,808,983.20	9,010,907.65	10,244,921.33	10,765,717.40	

Source: CAFR Schedule A-1

\* GASB requires that ten years of statistical data be presented. However, since fiscal year 2004 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Changes in Net Assets**  
**Last Ten Fiscal Years\***  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>									
Governmental Activities:									
Instruction:									
Regular	4,348,498.89	4,524,688.77	4,577,731.29	4,946,300.49	5,187,899.75	5,253,623.02	5,659,528.44	5,940,308.18	5,673,458.35
Special Education	935,997.27	1,015,488.23	1,028,311.59	992,627.44	1,131,880.43	1,139,783.20	1,192,168.31	1,113,362.66	1,273,183.86
Other Special Instruction	273,794.98	321,509.33	329,036.63	243,868.35	265,992.12	387,805.27	311,521.83	271,583.60	581,421.69
Other Instruction	71,568.44	69,039.05	68,745.89	103,669.79	90,535.31	127,336.52	130,184.91	110,489.16	89,427.33
Support Services:									
Tuition	437,688.00	354,859.26	362,109.18	352,111.43	457,038.50	665,251.98	401,778.90	461,209.23	439,836.24
Student & Instruction Related Services	1,365,527.71	1,437,822.97	1,535,961.10	1,499,310.64	1,410,968.26	1,521,859.38	1,695,837.78	1,932,072.37	1,675,547.85
School Administrative Services	422,866.02	460,889.43	478,939.62	571,621.68	593,927.83	601,683.24	626,251.67	691,939.63	624,735.19
General Administrative Services	402,140.12	280,623.52	308,407.87	390,291.07	371,079.02	342,418.72	415,690.68	353,050.50	310,097.66
Central Services & Admin. Info. Technology		376,400.39	396,461.26	432,997.76	410,539.28	521,956.60	453,323.06	461,119.07	381,643.36
Plant Operations and Maintenance	685,376.80	627,866.40	861,904.67	1,131,126.80	958,423.25	938,952.97	917,709.52	904,173.38	953,102.38
Pupil Transportation	296,490.57	289,460.16	279,373.11	278,564.08	268,407.70	274,558.47	229,627.96	214,447.70	267,738.72
Business and Other Support Services	304,345.73	2,280.00							
Unallocated Benefits	553,590.23	638,577.89	695,076.27	1,075,565.08	1,120,740.93	812,719.90	869,219.16	872,291.88	1,077,779.67
Special Schools			4,434.18	5,000.00	5,000.00	3,650.00			
Interest on Long-term Debt	216,499.92	117,679.25	85,709.81	63,851.25	50,250.00	41,250.00	32,250.00	23,250.00	14,250.00
Capital Outlay - Non-Depreciable	8,700.00						37,508.88	2,811.00	11,887.00
Unallocated Depreciation	215,274.24	213,248.08	207,742.58	135,889.29	196,769.72	188,321.82	183,642.24	183,648.55	170,040.30
Total Governmental Activities Expenses	10,538,358.92	10,730,432.73	11,219,944.85	12,222,795.15	12,519,452.10	12,821,201.83	13,156,243.34	13,535,766.91	13,544,149.60
Business-type Activities:									
Food Service	296,093.73	286,059.90	296,079.35	300,359.01	339,174.02	404,911.78	460,334.02	381,414.25	469,133.65
After Care Program		83,921.29	96,597.92	123,353.72	162,992.92	166,122.96	171,642.40	178,131.25	172,813.44
Summer Camp Program	3,624.99	64,132.31	28,010.52		20,193.27	29,830.51			
Total Business-type Activities Expenses	299,718.72	434,113.50	420,687.79	423,712.73	522,360.21	600,865.25	631,976.42	559,545.50	641,947.09
Total District Expenses	10,838,077.64	11,164,546.23	11,640,632.64	12,646,507.88	13,041,812.31	13,422,067.08	13,788,219.76	14,095,312.41	14,186,096.69
<b>Program Revenues</b>									
Governmental Activities:									
Charges for Services:	88,451.14								
Operating Grants and Contributions	1,696,943.02	1,712,004.44	1,990,701.34	1,743,242.96	1,553,046.74	1,184,025.99	1,445,496.68	1,887,084.49	1,323,285.65
Total Governmental Activities Program Revenues	1,785,394.16	1,712,004.44	1,990,701.34	1,743,242.96	1,553,046.74	1,184,025.99	1,445,496.68	1,887,084.49	1,323,285.65
Business-type Activities:									
Charges for Services:									
Food Service	104,088.20	112,140.13	119,179.49	124,451.94	117,566.22	112,285.50	101,721.37	97,315.24	97,729.22
After Care Program		110,503.65	140,465.30	155,312.65	159,373.08	149,644.34	150,441.70	139,525.90	140,248.88
Summer Camp Program	20,785.00	8,212.10	29,499.62		24,235.60	25,549.12			
Operating Grants and Contributions	189,306.57	211,279.87	216,955.50	233,861.69	254,387.17	345,714.35	418,990.05	338,847.77	384,925.07
Total Business-type Activities Program Revenues	314,179.77	442,135.75	506,099.91	513,626.28	555,562.07	633,193.31	671,153.12	575,688.91	622,903.17
Total District Program Revenues	2,099,573.93	2,154,140.19	2,496,801.25	2,256,869.24	2,108,608.81	1,817,219.30	2,116,649.80	2,462,773.40	1,946,188.82

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Changes in Net Assets**  
**Last Ten Fiscal Years\***  
*(accrual basis of accounting)*

Page 2 of 2

	Fiscal Year Ending June 30,					
	2004	2005	2006	2007	2008	2009
	2010	2011	2012	2013	2014	2015
<b>Net (Expense)/Revenue</b>						
Governmental Activities	(8,752,964.76)	(9,018,428.29)	(9,229,243.51)	(10,479,552.19)	(10,966,405.36)	(11,637,175.84)
Business-type Activities	14,461.05	8,022.25	85,412.12	89,913.55	33,201.86	32,328.06
<b>Total District-wide Net Expense</b>	<b>(8,738,503.71)</b>	<b>(9,010,406.04)</b>	<b>(9,143,831.39)</b>	<b>(10,389,638.64)</b>	<b>(10,933,203.50)</b>	<b>(11,604,847.78)</b>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental Activities:						
Property Taxes Levied for General Purposes	4,079,250.00	4,468,569.00	4,885,913.00	4,808,738.00	5,261,821.00	5,261,821.00
Taxes Levied for Debt Service	324,221.00	321,142.00	317,372.00	305,682.00	113,753.00	108,973.00
State Facilities Grant		48,481.00		(24,171.31)		
Cancellation of State Facilities Grant Receivable	4,539,969.34	4,996,367.57	4,860,937.42	5,307,663.05	5,661,806.97	6,918,087.82
Unrestricted Federal and State Aid	292,418.76	134,695.82	53,200.52	1,695.70		
Tuition Received			26,528.00	27,336.00		
Other Local Government Units - Restricted	5,605.47	17,091.19	28,628.46	69,121.03	74,203.15	18,653.68
Investment Earnings	13,462.49	42,028.83	20,904.65	54,526.72	41,806.30	87,925.20
Miscellaneous Income	(13,761.90)	(38,760.20)				
Transfers						
<b>Total Governmental Activities</b>	<b>9,241,165.16</b>	<b>9,989,615.21</b>	<b>10,193,484.05</b>	<b>10,550,591.19</b>	<b>11,153,390.42</b>	<b>12,395,460.70</b>
Business-type Activities:						
Investment Earnings		38,760.20				
Transfers						
<b>Total Business-type Activities</b>	<b>0.00</b>	<b>38,760.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total District-wide</b>	<b>9,241,165.16</b>	<b>10,028,375.41</b>	<b>10,193,484.05</b>	<b>10,550,591.19</b>	<b>11,153,390.42</b>	<b>12,395,460.70</b>
<b>Change in Net Assets</b>						
Governmental Activities	488,200.40	971,186.92	964,240.54	71,039.00	186,985.06	758,284.86
Business-type Activities	14,461.05	46,782.45	85,412.12	89,913.55	33,201.86	32,328.06
<b>Total District</b>	<b>502,661.45</b>	<b>1,017,969.37</b>	<b>1,049,652.66</b>	<b>160,952.55</b>	<b>220,186.92</b>	<b>790,612.92</b>

Source: CAFR Schedule A-2

\* GASB requires that ten years of statistical data be presented. However, since fiscal year 2004 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Fund Balances Governmental Funds**  
**Last Ten Fiscal Years\***  
*(modified accrual basis of accounting)*

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>									
Reserved	462,075.64	1,056,754.73	1,889,318.04	1,353,223.07	1,281,948.78	2,246,208.75	3,083,111.24		
Unreserved	181,521.16	240,252.01	8,772.52	228,893.00	457,873.23	(97,914.72)	(56,331.87)	2,514,703.28	3,628,758.65
Restricted								134,037.50	28,004.17
Committed								125,000.00	0.03
Assigned								(317,775.26)	(316,857.74)
Unassigned	181,521.16	240,252.01	8,772.52	228,893.00	457,873.23	(97,914.72)	(56,331.87)		
<b>Total General fund</b>	<u>825,117.96</u>	<u>1,537,258.75</u>	<u>1,906,883.08</u>	<u>1,811,009.07</u>	<u>2,197,695.24</u>	<u>2,050,379.31</u>	<u>2,950,447.50</u>	<u>2,455,965.52</u>	<u>3,339,905.11</u>
<b>All Other Governmental Funds</b>									
Unreserved, Reported in:									
Special Revenue Fund	(27,173.88)	(15,735.00)	(15,735.00)						
Capital Projects Fund	15,627.37	57,300.00	44,871.99					554,849.00	423,655.58
Debt Service	327.23	7,719.17	7,719.36	6.11	1.11	0.11	0.11	0.11	0.11
<b>Total All Other Governmental Funds</b>	<u>(11,219.28)</u>	<u>49,284.17</u>	<u>36,856.35</u>	<u>6.11</u>	<u>1.11</u>	<u>0.11</u>	<u>53,013.63</u>	<u>554,849.11</u>	<u>423,655.69</u>

Source: CAFR Schedule B-1

\* GASB requires that ten years of statistical data be presented. However, since fiscal year 2004 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

## BOROUGH OF HALEDON SCHOOL DISTRICT

Changes in Fund Balances Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Tax Levy	4,180,721.00	4,403,471.00	4,788,711.00	5,203,285.00	5,114,420.00	5,375,574.00	5,370,794.00	5,349,419.00	5,567,582.00	5,671,266.00
Tuition	250,372.25	232,418.76	134,695.82	53,200.52	1,695.70					
Transportation Fees		26,045.20								
Other Local Government Units - Restricted		52,405.94								
Interest Earned on Emergency Reserve Funds										
Interest Earned on Capital Reserve Funds										
Interest Earned on Maintenance Reserve Funds										
Interest Earnings	7,932.11	5,605.47	17,091.19	28,628.46	58,159.36	70,670.08	17,248.96	6,164.48	829.48	854.36
Miscellaneous	30,290.26	15,962.49	54,605.13	22,287.65	55,544.72	41,806.30	89,296.03	51,705.34	10,128.97	19,689.12
State Sources	5,769,087.40	5,639,885.47	6,085,400.69	5,989,899.47	6,305,539.91	6,573,265.28	7,484,732.09	6,808,112.34	7,888,356.42	8,269,349.99
Federal Sources	584,622.19	584,526.89	667,638.89	860,356.29	744,348.10	641,568.43	616,010.89	2,050,525.16	1,230,793.77	910,070.85
<b>Total Revenues</b>	<b>10,803,025.21</b>	<b>11,040,321.22</b>	<b>11,749,142.43</b>	<b>12,184,185.39</b>	<b>12,318,005.46</b>	<b>12,706,437.15</b>	<b>13,579,486.69</b>	<b>14,318,991.09</b>	<b>14,753,637.18</b>	<b>14,882,584.86</b>

**Expenditures**

Instruction:										
Regular	3,678,566.86	3,657,266.12	3,835,335.22	3,923,922.73	4,201,250.65	4,435,360.84	4,525,258.33	4,814,436.79	5,047,347.14	4,758,347.74
Special	815,982.00	739,819.28	786,640.57	806,619.39	762,092.41	876,963.75	919,498.97	944,458.59	867,224.64	980,941.60
Other Special Instruction	269,908.60	215,736.81	248,663.40	257,410.42	187,335.42	206,116.98	312,490.50	245,830.49	209,366.02	451,750.82
School-Sponsored/Other Instructional	62,650.71	56,355.17	53,356.92	54,033.22	83,928.22	71,281.68	108,954.44	105,617.38	88,966.27	72,832.76
Support Services:										
Instruction - Tuition	253,944.43	437,688.00	354,859.26	362,109.18	352,111.43	457,098.50	665,251.98	401,778.90	461,209.23	439,835.24
Student & Instruction Related Services	1,191,683.21	1,163,944.80	1,215,406.98	1,330,897.19	1,245,126.34	1,155,293.50	1,314,774.43	1,418,760.12	1,517,701.81	1,366,140.27
School Administration	266,903.04	317,205.70	341,826.52	357,383.52	411,411.84	432,880.79	457,715.69	452,033.40	477,514.45	430,717.82
General Administration	518,796.85	371,610.57	261,932.22	282,613.22	356,428.39	341,332.44	316,512.75	389,373.83	317,751.76	287,826.24
Central Services & Admin. Info. Technology			349,872.65	357,521.84	396,763.76	377,607.19	486,094.74	432,244.05	448,373.04	368,250.14
Operations and Maintenance	563,850.12	630,696.97	573,604.12	809,055.73	1,053,741.84	884,043.84	874,309.27	837,445.97	817,552.14	872,417.78
Student Transportation	271,679.53	284,459.02	273,987.92	266,485.04	264,594.73	254,357.76	259,871.47	213,771.08	197,444.81	251,473.91
Business and Other Support Services	294,976.13	325,177.39	2,280.00							
Employee Benefits	1,635,393.41	1,879,562.31	2,020,971.51	2,043,269.21	2,631,335.11	2,721,198.31	2,258,218.22	2,542,026.44	2,674,897.17	2,934,372.35
Special Schools				4,434.18	5,000.00	5,000.00				
Charter School	710,669.15	49,105.30	64,235.72	132,735.71	105,331.49	116,280.75	465,414.88	413,715.19	1,392,267.07	617,821.02
Capital Outlay										
Debt Service:										
Principal	440,000.00	455,000.00	475,000.00	495,000.00	515,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00
Interest and Other Charges	181,477.94	156,263.92	129,731.25	102,038.81	73,206.25	54,000.00	45,000.00	35,000.00	27,000.00	18,000.00
<b>Total Governmental Fund Expenditures</b>	<b>11,146,481.98</b>	<b>10,739,883.36</b>	<b>10,987,706.26</b>	<b>11,595,529.39</b>	<b>12,646,658.88</b>	<b>12,548,736.22</b>	<b>13,171,015.67</b>	<b>13,407,492.23</b>	<b>14,802,615.55</b>	<b>14,020,528.69</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(343,456.77)</b>	<b>300,437.86</b>	<b>761,436.17</b>	<b>588,656.00</b>	<b>(328,653.42)</b>	<b>157,700.94</b>	<b>408,471.02</b>	<b>911,498.86</b>	<b>(48,978.37)</b>	<b>862,056.17</b>
<b>Other Financing Sources (Uses)</b>										
Operating Transfers In		13,761.90	49,155.59		20,700.68			131,135.00	1,461,500.00	312,860.93
Operating Transfers Out		(13,761.90)	(87,915.79)		(20,700.68)			(131,135.00)	(1,461,500.00)	(312,860.93)
Proceeds Certificates of Participation										
Cancellation of Contracts Payable			1,813.05		(24,171.31)					(109,310.00)
Cancellation of Accounts Receivable			(10,575.63)							
Prior Year State Audit Recovery										
Capital Leases (non-budgeted)										
<b>Total Other Financing Sources (Uses)</b>										
<b>Net Changes in Fund Balance</b>	<b>(343,456.77)</b>	<b>286,675.96</b>	<b>713,913.39</b>	<b>588,656.00</b>	<b>(352,824.73)</b>	<b>157,700.94</b>	<b>408,471.02</b>	<b>911,498.86</b>	<b>(48,978.37)</b>	<b>752,746.17</b>
<b>Debt Service as a percentage of noncapital expenditures</b>	<b>5.96%</b>	<b>5.72%</b>	<b>5.54%</b>	<b>5.21%</b>	<b>4.69%</b>	<b>1.72%</b>	<b>1.61%</b>	<b>1.51%</b>	<b>1.39%</b>	<b>1.33%</b>

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

**BOROUGH OF HALEDON SCHOOL DISTRICT****General Fund Other Local Revenue by Source  
Last Ten Fiscal Years  
Unaudited**

<b>Fiscal Year Ended June 30,</b>	<b>Tuition</b>	<b>Interest on Investments</b>	<b>Interlocal Agree- ments</b>	<b>Transpor- tation Fees</b>	<b>Various Misc.</b>	<b>Total</b>
2003	250,372.25	6,428.59			30,290.26	287,091.10
2004	292,418.76	5,248.47	62,405.94	26,045.20	15,962.49	402,080.86
2005	134,695.82	16,242.79			50,791.41	201,730.02
2006	53,200.52	28,628.46	26,528.00		20,904.65	129,261.63
2007	1,695.70	69,121.03	27,336.00		54,526.72	152,679.45
2008		74,203.15			41,806.30	116,009.45
2009		18,653.68	49,620.00		38,305.20	106,578.88
2010		6,989.25	52,240.00		51,705.34	110,934.59
2011		1,395.88	55,380.14		10,128.97	66,904.99
2012		1,346.34	10,862.56		19,689.12	31,898.02

Source: District records.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**Unaudited**

Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate b
2002	3,878,500	257,765,500	36,114,600	13,242,700	8,519,000	319,520,300	4,583,918	324,104,218	347,418,519	1.1700
2003	3,839,900	257,575,100	36,388,300	13,706,200	8,519,000	320,028,500	4,028,646	324,057,146	391,221,043	1.2860
2004	3,701,000	258,419,200	36,649,500	13,706,200	8,519,000	320,994,900	3,698,959	324,693,859	449,613,377	1.4300
2005	3,939,500	259,105,400	36,769,800	13,331,300	8,519,000	321,664,800	3,130,664	324,795,464	511,141,503	1.5270
2006	4,185,600	259,382,500	36,698,800	13,331,300	8,519,000	322,117,200	2,509,914	324,627,114	581,184,375	1.5760
2007	4,029,100	260,764,400	36,531,100	13,211,300	8,519,000	323,054,900	2,242,877	325,297,777	653,909,853	1.5750
2008	3,850,100	265,559,200	36,981,100	13,454,800	8,519,000	328,364,200	2,107,172	330,471,372	728,289,992	1.6158
2009	3,719,000	269,213,000	36,121,100	12,225,500	8,479,300	329,757,900	2,085,718	331,843,618	731,423,304	1.6062
2010	3,753,800	268,758,200	36,305,300	12,225,500	8,479,300	329,522,100	2,263,700	331,785,800	686,445,115	1.6380
2011	3,769,400	268,482,000	36,680,800	12,235,300	8,479,300	329,646,800	0	329,646,800	652,803,390	1.6989

Source: Passaic County, Abstract of Ratables and Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.

Reassessment occurs when County Board of Taxation requests Treasury to order a reassessment.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b Tax rates are per \$100 of assessed value.



## BOROUGH OF HALEDON SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 Per \$100 of Assessed Valuation

Assessment Year	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	<u>Overlapping Rates</u>				Total Direct and overlapping Tax Rate
			Local School District	Regional School District	Municipality	County	
2002	1.6104	0.0896	1.7000	0.6040	1.0230	0.6530	3.9800
2003	1.2095	0.0765	1.2860	0.6890	1.1030	0.7020	3.7800
2004	1.3052	0.1248	1.4300	0.7930	1.1190	0.7680	4.1100
2005	1.4277	0.0993	1.5270	0.8685	1.1476	0.8269	4.3700
2006	1.4803	0.0957	1.5760	1.1010	1.2050	0.9380	4.8200
2007	1.5358	0.0392	1.5750	1.0020	1.4150	0.9980	4.9900
2008	1.5829	0.0329	1.6158	1.0782	1.5166	1.1124	5.3230
2009	1.5749	0.0313	1.6062	1.1251	1.6419	1.1048	5.4780
2010	1.6061	0.0319	1.6380	1.2160	1.7950	1.1090	5.7580
2011	1.6658	0.0331	1.6989	1.2986	1.9033	1.1402	6.0410

Source: District Records and Municipal Tax Collector.

BOROUGH OF HALEDON SCHOOL DISTRICT

Schedule of Principal Taxpayers

Current and Nine Years Ago

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation
Acquaknock Village	6,227,900	1	1.89%	6,241,500	1	1.93%
A.M. Realty Assoc.	3,667,600	2	1.11%	4,675,600	3	1.44%
Stone Industries	3,872,100	3	1.17%	2,824,900	4	0.87%
Self Storage of Haledon	2,130,000	4	0.65%	2,250,000	5	0.69%
Bel-Jo Assoc. LP	2,090,700	5	0.63%	2,090,700	6	0.65%
Nationwide Enterprises, LLC	1,582,000	6	0.48%			
Faber Bros. Holdings, LLC	1,205,000	7	0.37%			
Taxpayer #1	1,085,300	8	0.33%			
20 Halsey Corp	800,000	9	0.24%			
Verizon	723,800	10	0.22%	5,383,918	2	1.66%
293 Morrissee, Inc.				1,017,400	7	0.31%
	<u>23,384,400</u>		<u>7.09%</u>	<u>24,484,018</u>		<u>7.55%</u>

Sourc: Municipal Tax Assessor's Office.

**BOROUGH OF HALEDON SCHOOL DISTRICT****School Tax Levies and Collections  
Last Ten Years**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy<sup>a</sup></b>		<b>Collections in Subsequent Years</b>
		<b>Amount</b>	<b>Percentage of Levy</b>	
2003	4,160,721	4,160,721	100.00%	
2004	4,403,471	4,403,471	100.00%	
2005	4,789,711	4,789,711	100.00%	
2006	5,203,285	5,203,285	100.00%	
2007	5,114,420	5,114,420	100.00%	
2008	5,375,574	4,498,604	83.69%	876,970
2009	5,370,794	4,932,309	91.84%	438,485
2010	5,349,419	5,349,419	100.00%	
2011	5,567,582	5,567,582	100.00%	
2012	5,671,266	4,743,910	83.65%	927,356

Source: District records including the Certificate and Report of School Taxes (A4F form)

- a** School Taxes are collected by the Municipal Tax Collector. Under New Jersey Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	
2003	1,600,000.00	1,300,000.00	51,359.47			2,951,359.47	355
2004	1,440,000.00	1,005,000.00	3,581.22			2,448,581.22	295
2005	1,280,000.00	690,000.00				1,970,000.00	238
2006	1,120,000.00	355,000.00				1,475,000.00	179
2007	960,000.00					960,000.00	117
2008	800,000.00					800,000.00	96
2009	640,000.00					640,000.00	76
2010	480,000.00					480,000.00	55
2011	320,000.00					320,000.00	38
2012	160,000.00					160,000.00	19
							Not Available

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**Exhibit J-11**

**BOROUGH OF HALEDON SCHOOL DISTRICT  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	1,600,000.00	-	1,600,000.00	0.49%	8,317
2004	1,440,000.00	-	1,440,000.00	0.44%	8,307
2005	1,280,000.00	-	1,280,000.00	0.39%	8,276
2006	1,120,000.00	-	1,120,000.00	0.34%	8,235
2007	960,000.00	-	960,000.00	0.30%	8,201
2008	800,000.00	-	800,000.00	0.25%	8,303
2009	640,000.00	-	640,000.00	0.19%	8,468
2010	480,000.00	-	480,000.00	0.14%	8,705
2011	320,000.00	-	320,000.00	0.10%	8,325
2012	160,000.00	-	160,000.00	0.05%	8,331

**Notes:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2012**

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Haledon	\$ 10,450,533	100.000%	\$ 10,450,533
Other debt			
Passaic County General Obligation Debt	337,860,171	1.2238%	4,134,754
Passaic County Utility Authority	59,080,000	1.2238%	723,025
Subtotal, overlapping debt			15,308,311
<b>Haledon School District Direct Debt</b>			<u>160,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 15,468,311</u></u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Passaic County Board of Taxation.  
Debt outstanding data provided by each governmental unit.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.  
This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Haledon. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

(1) Debt information as of December 31, 2011.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2012**

Equalized valuation basis	
2011	\$ 617,316,105
2010	649,816,801
2009	681,599,628
<b>[A]</b>	<b>\$ 1,948,732,534</b>
Average equalized valuation of taxable property	
<b>[A/3]</b>	<b>\$ 649,577,511</b>
Debt limit (3 % of average equalization value)	
<b>[B]</b>	<b>19,487,325 <sup>a</sup></b>
<b>[C]</b>	<b>160,000</b>
<b>[B-C]</b>	<b>\$ 19,327,325</b>

	Fiscal Year										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Debt limit	\$ 10,482,955	\$ 11,662,156	\$ 13,307,657	\$ 15,216,625	\$ 17,264,637	\$ 19,334,899	\$ 20,814,795	\$ 21,161,275	\$ 20,545,263	\$ 19,487,325	
Total net debt applicable to limit	1,600,000	1,440,000	1,260,000	1,120,000	960,000	800,000	640,000	480,000	320,000	160,000	
Legal debt margin	\$ 8,882,955	\$ 10,222,156	\$ 12,027,657	\$ 14,096,625	\$ 16,304,637	\$ 18,534,899	\$ 20,174,795	\$ 20,681,275	\$ 20,225,263	\$ 19,327,325	
Total net debt applicable to the limit as a percentage of debt limit	15.26%	12.35%	9.62%	7.36%	5.56%	4.14%	3.07%	2.27%	1.56%	0.82%	

**Source:** Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,  
Department of Treasury, Division of Taxation

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other district types.

**BOROUGH OF HALEDON SCHOOL DISTRICT****Demographic and Economic Statistics  
Last Ten Years**

<b>Year Ended December 31,</b>	<b>School District Population (1)</b>	<b>Personal Income in Thousands \$ (2)</b>	<b>Per Capita Income (3)</b>	<b>Unemployment Rate (4)</b>
2002	8,317	267,765,815	32,195	4.40%
2003	8,307	270,683,595	32,585	4.50%
2004	8,276	276,170,120	33,370	4.50%
2005	8,235	290,440,215	35,269	7.10%
2006	8,201	310,530,865	37,865	7.50%
2007	8,303	333,971,569	40,223	7.00%
2008	8,468	351,896,208	41,556	9.00%
2009	8,705	351,908,330	40,426	16.80%
2010	8,325	351,548,100	42,228	17.10%
2011	8,331	Not Available	Not Available	16.90%

Source:

- (1) U.S. Bureau of the Census, Population Division,  
(Estimates July 1, 2002-2011)
- (2) Personal income of the District is based on the population and per capita income.
- (3) U.S. Department of Commerce, County Information 2002-2010.
- (4) N.J. Department of Labor.



**BOROUGH OF HALEDON SCHOOL DISTRICT**

**Schedule of Principal Employers**

**Current and Nine Years Ago**

**2011**

**2002**

**INFORMATION IS NOT AVAILABLE**

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction										
Regular	65	65	65	65	65	67	70	68	68	68
Special education	13	13	13	13	13	13	13	13	13	15
Other special education	7	7	7	7	7	10	10	13	13	13
Other instruction	8	8	8	8	8	3	3	3	3	3
Support Services:										
Student & instruction related services	15	15	15	15	15	14	14	15	15	15
General administration	1	1	1	1	1	1	1	1	1	1
School administrative services	5	5	5	5	5	5	5	5	5	5
Central services	3	1	1	1	1	1	1	1	1	1
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	9	9	9	9	9	9	9	9	9	9
Pupil transportation	2	2	2	2	2	2	2	2	2	2
Other support services	3	3	3	3	3	3	3	4	4	4
Food Service	3	3	3	3	5	5	5	5	6	6
Child Care		1	4	4	16	6	6	6	6	6
<b>Total</b>	<b>134</b>	<b>133</b>	<b>136</b>	<b>136</b>	<b>150</b>	<b>140</b>	<b>143</b>	<b>146</b>	<b>147</b>	<b>149</b>

Source: District Personnel Records

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**Operating Statistics,**  
**Last Ten Fiscal Years**

Pupil/Teacher Ratio											
Fiscal Year	a					b					
	Enrollment	Expenditures	Cost Per Pupil	% Change	Teaching Staff	Elementary	Average Daily		% Change in Average Daily		Student Attendance Percentage
							Enrollment	Attendance	Enrollment	Attendance	
2002-2003	989	9,814,334.89	9,923.49	5.04%	81	10.1	989	937.43	-2.37%	94.79%	
2003-2004	967	10,079,513.14	10,423.49	5.04%	78	10.8	967	925.60	-2.22%	95.72%	
2004-2005	1001	10,318,739.29	10,308.43	-1.10%	78	10.3	1001	952.80	3.52%	95.18%	
2005-2006	1008	10,865,754.87	10,779.52	4.57%	78	12.9	1008	954.30	0.70%	94.67%	
2006-2007	1033	11,953,121.14	11,571.27	7.34%	78	13.2	1040	969.40	3.17%	93.21%	
2007-2008	1087	12,218,475.47	11,240.55	-2.86%	80	13.6	1087	1027.70	4.52%	94.54%	
2008-2009	1032	12,500,600.79	12,112.99	7.76%	83	12.4	1046	988.00	-3.77%	94.46%	
2009-2010	1052	12,797,777.04	12,165.19	0.43%	81	13.0	1052	998.00	0.57%	94.87%	
2010-2011	1039	13,223,348.48	12,727.00	4.62%	81	12.8	1039	982.60	-1.24%	94.57%	
2011-2012	1037	13,383,307.67	12,905.79	1.40%	83	12.5	1037	987.31	-0.19%	95.21%	

Sources: District Records

Note: Enrollment based on annual October district count.

a-Operating Expenditures equal total expenditures less debt service and capital outlay.

b-Teaching staff includes only full-time equivalents of certificated staff.

c-Average daily enrollment and average daily attendance are obtained from the School Register Summary.

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**

<u>District Buildings</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Elementary</u>										
Haledon School	102,969	102,969	102,969	102,969	102,969	102,969	102,969	102,969	102,969	102,969
Square Feet	994	994	994	994	994	994	994	994	994	994
Capacity(students)	989	967	1001	1008	1040	1087	1032	1052	1050	1037
Enrollment										

Number of Schools at June 30, 2012  
 Elementary=1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions

BOROUGH OF HALEDON SCHOOL DISTRICT  
General Fund  
Schedule of Required Maintenance for School Facilities  
For the Fiscal Year Ended June 30,

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-xxx

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
* School Facilities										
Haledon School	252,956.01	212,384.87	241,218.86	217,578.65	286,126.14	428,522.75	324,648.54	116,624.47	123,418.52	121,692.04
Total School Facilities	<u>252,956.01</u>	<u>212,384.87</u>	<u>241,218.86</u>	<u>217,578.65</u>	<u>286,126.14</u>	<u>428,522.75</u>	<u>324,648.54</u>	<u>116,624.47</u>	<u>123,418.52</u>	<u>121,692.04</u>

\* School facilities as defined under EFCA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

**BOROUGH OF HALEDON SCHOOL DISTRICT**

**Insurance Schedule  
June 30, 2012**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Suburban Essex JIF		
Reinsurer: Selective Insurance Company		
Property - Blanket Limit of JIF	150,000,000	
Member Limit:	33,049,706	
Owner Group Retention:		100,000 p/occurrence
Owner Group District Deductible:		500 p/occurrence
Comprehensive General Liability (per occurrence)	10,000,000	
Employee Benefits Liability (per occurrence)	10,000,000	
Comprehensive Automobile Liability (per occurrence)	10,000,000	
 School Leaders Errors & Omissions		
A C E American Insurance Company	10,000,000 p/district	
Owner Group District Deductible:		None
Workers Compensation		10,000
Suburban Essex JIF		
Limit of Liability	WC EL	Statutory 10,000,000
 Public Employees' Faithful Performance Bond	500,000	
Owner Group District Deductible:		0
Public Employees' Faithful Performance		
Position Bond		
Treasurer of School Moneys	200,000	
Travelers Insurance Co.		
Board Secretary/Business Administrator	100,000	
Travelers Insurance Co.		

## **SINGLE AUDIT SECTION**

# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

K-1  
Page 1 of 2

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and  
Members of the Board of Education  
Borough of Haledon School District  
County of Passaic, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Haledon School District in the County of Passaic as of and for the fiscal year ended June 30, 2012 which collectively comprise the basic financial statements of the Board of Education of the Borough of Haledon School District in the County of Passaic, and have issued our report thereon dated November 15, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

Management of the Board of Education of the Borough of Haledon School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Haledon School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Haledon School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Haledon School District Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.





Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Borough of Haledon School District Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

However, we noted certain immaterial instances of noncompliance that we have reported to the Board of Education of the Borough of Haledon School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 15, 2012.

This report is intended solely for the information of management, the Borough of Haledon Board of Education, New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.



James Cerullo, C.P.A.  
Licensed Public School Accountant  
No. 881



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

November 15, 2012

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkotz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

K-2  
Page 1 of 2

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and  
Members of the Board of Education  
Borough of Haledon School District  
County of Passaic, New Jersey

### Compliance

We have audited the compliance of the Board of Education of the Borough of Haledon School District in the County of Passaic with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. Borough of Haledon School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Borough of Haledon School District Board of Education's management. Our responsibility is to express an opinion on the Borough of Haledon School District Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions the New Jersey State Treasury Circular Letter 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards, and OMB Circular A-133 and N.J. OMB Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Haledon School District Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Haledon School District Board of Education's compliance with those requirements.



In our opinion, the Borough of Haledon School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2012.

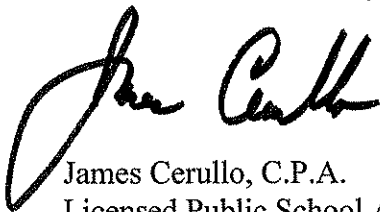
Internal Control Over Compliance

The management of the Borough of Haledon School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Haledon School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Haledon School District Board of Education's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management, the Borough of Haledon Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



James Cerullo, C.P.A.  
Licensed Public School Accountant  
No. 881



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

November 15, 2012



## Schedule A

**BOROUGH OF HALEDON SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year Ended June 30, 2012

Federal Grant/Pass-Through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011	Carryover/Adjustments	Cash Received	Budgetary Expenditures	Adjustment/Repayment of Prior Year's Balance	Balance at June 30, 2012		MEMO Cumulative Total Expenditures
										Accounts Receivable	Deferred Revenue	
U.S. Department of Education:												
General Fund:												
Education Jobs Fund	84.410A	N/A	08/10/10-09/30/12	228,207.00			165,522.70	(187,553.14)		(22,030.44)		* 187,553.14
Medical Assistance Program (SEM)	93.778	N/A	07/01/11-06/30/12	30,770.30			30,770.30	(30,770.30)				* 30,770.30
Total General Fund							196,293.00	(218,323.44)		(22,030.44)		* 218,323.44
U.S. Department of Education Passed-Through State Department of Education:												
Special Revenue Fund:												
Title I - Improving Basic Programs	84.010	NCLB1920-12	09/01/11-08/31/12	648,110.00			283,531.00	(365,721.00)		(82,190.00)		* 365,721.00
Title I - Improving Basic Programs	84.010	NCLB1920-11	09/01/10-08/31/11	280,254.00	(61,485.01)		42,859.00	(18,626.01)	18,626.01			* 280,254.00
Title II-A- Teacher & Principal Training/Recruiting	84.367	NCLB1920-12	09/01/11-08/31/12	47,393.00			32,700.00	(40,454.05)		(7,754.05)		* 40,454.05
Title II-A- Teacher & Principal Training/Recruiting	84.367	NCLB1920-11	09/01/10-08/31/11	49,835.00	(15,821.63)		10,426.00	(5,395.63)	5,395.63			* 49,835.00
Title II-D- Enhancing Education Through Technology	84.367	NCLB1920-12	09/01/11-08/31/12	844.00								*
Title II-D- Enhancing Education Through Technology	84.367	NCLB1920-11	09/01/10-08/31/11	1,970.00	(2,424.00)				2,424.00			*
Title III - Part A English Language Enhancements	84.365	NCLB1920-12	09/01/11-08/31/12	31,833.00			6,660.00	(11,179.31)		(4,519.31)		* 11,179.31
Title III - Part A English Language Enhancements	84.365	NCLB1920-11	09/01/10-08/31/11	24,162.00	3,037.66		8,525.00	(11,562.66)		(5,397.86)		* 24,162.00
Title III - Part A English Language Enhancements	84.365	NCLB1920-12	09/01/11-08/31/12	12,325.00			6,100.00	(11,497.86)		(5,397.86)		* 11,497.86
ID.E.A. Part B - Basic Regular	84.027	IDEA1920-12	09/01/11-08/31/12	235,874.00	(4,973.77)		147,164.00	(153,656.45)		(6,492.45)		* 153,656.45
ID.E.A. Part B - Basic Regular	84.027	IDEA1920-11	09/01/10-08/31/11	262,811.00			39,203.00	(34,229.23)		(0.00)		* 262,811.00
ID.E.A. Part B - Preschool	84.173	IDEA1920-12	09/01/11-08/31/12	15,946.00			6,720.00	(7,147.80)		(427.80)		* 7,147.80
ID.E.A. Part B - Preschool	84.173	IDEA1920-11	09/01/10-08/31/11	15,868.00	(1,963.73)		15,868.00	(13,904.27)		0.00		* 15,868.00
ARRA Title I Part A	84.389	ARRA1920-10	09/01/09-08/31/11	205,297.00	(29,525.76)		45,286.00	(15,760.24)		0.00		* 205,272.00
ARRA - ID.E.A. Part B - Basic	84.391	ARRA1920-10	09/01/09-08/31/11	280,297.00	(152,241.21)		152,100.00	(0.00)	141.21	0.00		* 279,036.00
ARRA - Preschool Grants	84.392	ARRA1920-10	09/01/09-08/31/11	10,073.00	(8,073.00)		10,069.00	(1,995.61)	(0.39)	0.00		* 10,068.61
Total Special Revenue Fund					(273,470.45)		807,211.00	(667,108.68)	26,586.46	(106,781.67)		* 1,716,963.28
U.S. Department of Agriculture Passed-Through State Department of Education:												
Enterprise Fund:												
Food Distribution Program	10.550		07/01/11-06/30/12	30,501.31		180.13	30,501.31	(30,303.47)			377.97	* 30,303.47
Food Distribution Program	10.550		07/01/10-06/30/11	19,148.12	180.13	(180.13)						* 19,148.12
School Breakfast Program	10.553		07/01/11-06/30/12	26,860.50			24,777.90	(26,860.50)		(2,082.60)		* 26,860.50
School Breakfast Program	10.553		07/01/10-06/30/11	26,679.98	(3,406.40)		3,406.40					* 26,679.98
National School Lunch Program	10.555		07/01/11-06/30/12	299,339.28			278,073.47	(299,339.28)		(21,265.81)		* 299,339.28
National School Lunch Program	10.555		07/01/10-06/30/11	265,909.68	(24,681.86)		24,681.86					* 265,909.68
National School Lunch Program	10.559		07/01/11-06/30/12	6,135.21			6,135.21	(6,135.21)				* 6,135.21
Summer Food Service Program	10.559		07/01/11-06/30/12	15,057.88			14,069.12	(15,057.88)		(988.76)		* 15,057.88
After School Snack Program	10.558		07/01/10-06/30/11	13,973.42	(1,041.18)		1,041.18					* 13,973.42
After School Snack Program	10.558		07/01/10-06/30/11									*
Total Enterprise Fund					(28,949.31)		382,686.45	(377,696.34)		(24,337.17)	377.97	* 377,696.34
TOTAL FEDERAL FINANCIAL AWARDS					(302,419.76)		1,386,190.45	(1,263,128.46)	26,586.46	(153,149.28)	377.97	* 2,312,983.06

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

K-3

BOROUGH OF HALEDON SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year Ended June 30, 2012

	State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance at June 30, 2011			Balance at June 30, 2012				MEMO		
					Deferred Revenue/ (Accts. Receivable)	Due To Grantor	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Accounts Receivable	Deferred Revenue	Due To Grantor at	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Equalization Aid		12-495-034-5120-078	07/01/11-06/30/12	5,707,467.00				5,140,961.00	(5,707,467.00)			*	566,506.00	5,707,467.00
Special Education Categorical Aid		12-495-034-5120-089	07/01/11-06/30/12	562,368.00				506,549.00	(562,368.00)			*	55,819.00	562,368.00
Security Aid		12-495-034-5120-084	07/01/11-06/30/12	40,309.00				36,308.00	(40,309.00)			*	4,001.00	40,309.00
Extraordinary Aid		12-100-034-5120-473	07/01/11-06/30/12	51,733.00					(51,733.00)	(51,733.00)		*		51,733.00
Extraordinary Aid		11-100-034-5120-473	07/01/10-06/30/11	44,566.00				44,566.00				*		
Reimbursement of Nonpublic Transportation		12-495-034-5120-014	07/01/11-06/30/12	7,735.26					(7,735.26)	(7,735.26)		*		7,735.26
Reimbursement of Nonpublic Transportation		11-495-034-5120-014	07/01/10-06/30/11	6,746.74				6,746.74				*		
Anti - Bullying Grant		N/A	07/01/11-06/30/12	36.00				36.00	(36.00)			*		36.00
On-Behalf Teachers' Pension and Annuity		12-495-034-5095-006	07/01/11-06/30/12	173,924.00				173,924.00	(173,924.00)			*		173,924.00
On-Behalf TPAF - Post Retirement Medical		12-495-034-5095-001	07/01/11-06/30/12	387,152.00				387,152.00	(387,152.00)			*		387,152.00
On-Behalf TPAF - Non-contributory Insurance		12-495-034-5095-007	07/01/11-06/30/12	18,664.00				18,664.00	(18,664.00)			*		18,664.00
Reimbursed TPAF - Social Security		12-495-034-5095-002	07/01/11-06/30/12	472,899.75				449,669.69	(472,899.75)	(23,230.06)		*		472,899.75
Reimbursed TPAF - Social Security		11-495-034-5095-002	07/01/10-06/30/11	466,286.71				22,966.27				*		
Total General Fund					(74,279.01)			6,787,542.70	(7,422,288.01)	(82,698.32)		*	626,326.00	7,422,288.01
Special Revenue Fund:														
Preschool Education Aid		12-495-034-5120-086	07/01/11-06/30/12	508,810.00			193,733.96	438,310.00	(560,316.42)		91,727.54	*		560,316.42
Preschool Education Aid		11-495-034-5120-086	07/01/10-06/30/11	632,910.00			(193,733.96)	59,951.00				*		
Total Special Revenue Fund					133,782.96			518,261.00	(560,316.42)		91,727.54	*		560,316.42
Capital Projects Fund:														
EFCCA Grant		SP #1920-015-10-1001	N/A	409,052.00					(152,933.22)	(152,933.22)		*		152,933.22
EFCCA Grant		SP #1920-015-09-2003	N/A	109,336.00				109,336.00	(5,084.52)			*		109,336.00
Total Capital Projects Fund					(104,251.48)			109,336.00	(158,017.74)	(152,933.22)		*		262,269.22
Debt Service Fund:														
Debt Service Aid Type II		12-495-034-5120-017	07/01/10-06/30/11	70,872.00				70,872.00	(70,872.00)			*		70,872.00
State Department of Agriculture:														
Enterprise Fund:														
National School Lunch Program (State Share)		12-100-010-3350-023	07/01/11-06/30/12	7,228.73				6,717.84	(7,228.73)	(510.89)		*		7,228.73
National School Lunch Program (State Share)		11-100-010-3350-023	07/01/10-06/30/11	6,577.01				917.65				*		
Total Enterprise Fund					(917.65)			7,635.49	(7,228.73)	(510.89)		*		7,228.73
TOTAL STATE FINANCIAL ASSISTANCE														
					(45,665.18)			7,493,647.19	(8,218,722.90)	(236,142.43)	91,727.54	*	626,326.00	8,322,974.38

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Haledon School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and the special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$51,804.00) for the general fund and \$24,988.55 for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$218,323.44	\$7,370,484.01	\$7,588,807.45
Special Revenue Fund	691,747.41	560,666.24	1,252,413.65
Capital Projects Fund		267,327.74	267,327.74
Debt Service Fund		70,872.00	70,872.00
Food Service Fund	362,638.46	7,228.73	369,867.19
After Care Fund	15,057.88		15,057.88
Total Awards and Financial	<u>\$1,287,767.19</u>	<u>\$8,276,578.72</u>	<u>\$9,564,345.91</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

Revenues and expenditures reported under the food distribution program represent current year value received and current year distributions respectively.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

**BOROUGH OF HALEDON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

1. Material weakness(es) identified?                      yes       X       no
2. Significant deficiencies identified that are not considered to be material weaknesses?                      yes       X       none reported

Noncompliance material to basic financial statements noted?                      yes       X       no

**Federal Awards**

Internal Control over major programs:

1. Material weakness(es) identified?                      yes       X       no
2. Significant deficiencies identified that are not considered to be material weaknesses?                      yes       X       none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?                      yes       X       no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A/84.389</u>	<u>Title I/ARRA Title I</u>
<u>10.555</u>	<u>National School Lunch Program</u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000;

Auditee qualified as low-risk auditee?       X       yes                      no



**BOROUGH OF HALEDON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ X no

Type of auditor's report issued on compliance for major programs: unqualified

Internal Control over major programs:

1. Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ X no

2. Significant deficiencies identified that are not  
considered to be material weaknesses? \_\_\_\_\_ yes \_\_\_\_\_ X none reported

Any audit findings disclosed that are required to be reported  
in accordance with NJ OMB Circular Letter 04-04? \_\_\_\_\_ yes \_\_\_\_\_ X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>12-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>12-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>12-495-034-5120-086</u>	<u>Preschool Education Aid</u>

***Section II - Financial Statement Findings***

None

***Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs***

None

**BOROUGH OF HALEDON SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Status of Prior Year Findings**

There were no prior year findings.